

DRAFT ANNUAL BUDGET OF

MBIZANA LOCAL MUNICIPALITY



**2018/19 TO 2020/21
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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Table of Contents

PART 1 – ANNUAL BUDGET	2
1.1 MAYOR'S REPORT	2
1.2 COUNCIL RESOLUTIONS	8
1.3 EXECUTIVE SUMMARY	10
1.4 OPERATING REVENUE FRAMEWORK	15
1.5 OPERATING EXPENDITURE FRAMEWORK	36
1.6 CAPITAL EXPENDITURE	39
1.7 ANNUAL BUDGET TABLES	42
2 PART 2 – SUPPORTING DOCUMENTATION	56
2.1 OVERVIEW OF BUDGET RELATED POLICIES	56
2.2 COUNCILLOR AND EMPLOYEE BENEFITS	62
2.3 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS	65
2.4 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW	69
2.5 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	76
2.6 CAPITAL EXPENDITURE DETAILS	77
2.7 LEGISLATION COMPLIANCE STATUS	79
2.8 MUNICIPAL MANAGER'S QUALITY CERTIFICATE	81

List of Tables

Table 1 Consolidated Overview of the 2018/19 MTREF	13
Table 2 Summary of revenue classified by main revenue source	17
Table 3 Percentage growth in revenue by main revenue source	17
Table 4 Operating Transfers and Grant Receipts	19
Table 5 Comparison of proposed rates to be levied for the 2018/19 financial year	21
Table 6 Comparison between current waste removal fees and increases	25

List of Figures

No table of figures entries found.

Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	City Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

Part 1 – Annual Budget

1.1 Mayor's Report

The council of Mbizana Local Municipality, as elected by the communities, has a responsibility of ensuring that basic service delivery is provided for all within its jurisdiction. This is the provision of the Constitution of the Republic of South Africa which is the supreme law of the land. The Municipal Finance Management Act No. 56 of 2003, section 16, provides that a municipality must compile an annual budget before the start of the financial year. A draft budget must be tabled 90 days before the start of the financial year, which means that for a 2018/19 Annual Budget, the draft budget must be tabled to council by March 31, 2018. This draft budget is in response and compliance to the afore-mentioned prescripts. This budget will then be taken to communities for consultation and comments will be solicited and incorporated when the final budget is being prepared for council to approve at least 30 days before the start of the budget year.

The municipality's development priorities are basic service delivery (Roads, storm water drainage, transport infrastructure, electrification, housing and land use management, educational facilities, community services and related matters, and recreational facilities) and Local Economic Development (agriculture and farming, forestry, tourism development, SMME support, Business, trade and manufacturing).

a) Water and sanitation backlogs

In Mbizana, the current implementation of the Greater Mbizana Regional scheme will take care of at least 85% backlogs after completion and connection to the existing infrastructure.

According to the District Municipality, Mbizana has a total backlog of 31 146 households with no access to Sanitation which translates to 64.34 %.

The estimated backlog for RDP sanitation service delivery is 17423 (36 %) households with no access RDP Sanitation, and 31146(64%) have access to RDP Sanitation (Ventilated Improved Pit-latrines (VIP Toilets)). Out of 31 wards only 8 wards with no sanitation services.

b) Road Maintenance backlogs

Due the bad conditions of access roads in entire municipal jurisdiction, the municipality set aside amount of R 3 million for the purchase of municipal plant for rehabilitation of gravel access roads for the 2017/18 financial year. This will bring the investment into R11 million over a two year period which is expected to show a greater saving into the input costs for road maintenance.

The municipality has purchased internal plant consisting of Grader, Roller and Water Cart that will be utilised for the rehabilitation and maintenance of existing gravel access roads.

This new plant was an addition on the existing plant that the municipality already has. The municipality already has a fully-fledged construction plant (Grader, Roller, water cart, Excavator and tipper trucks).

EPWP contract labourers to maintain the storm water drainage and also to fix the small to medium potholes within our CBD roads are being utilised.

It is planned that a total of 150m² of pothole patching will be completed by the end of the current financial year as the service provider was appointed earlier in the financial year

In 2018/19 financial year, 190m² is planned to be maintained using both service providers and internal plants.

c) Electrification backlogs and planning

In conjunction with Eskom the Municipality has managed to reduce electricity backlogs from 19000 (39 %) households in 2011 to 9701 (20%) in 2017. This backlog will be further reduced once the on-going projects are completed.

The municipality and Eskom did a 5 year electrification master plan which when completed the municipality would have reached a universal access within its area of Jurisdiction.

Once the projects that are currently under implementation are completed the municipality will be left with a backlog figure of approximately 16 671 households with no electricity.

There is a general increase of electricity demand in Mbizana as new households are constructed. It is important to note that the INEP Allocation for 2017/18 was partly used to repay a loan taken in the prior years to speed up electrification and to complete some of the projects.

d) Environmental, coastal and waste management

The municipality as a coastal municipality has a responsibility to develop an Integrated Coastal Management Program (ICMP) has been developed and adopted by the councils, both Mbizana Local Municipality and Alfred Nzo District Municipality.

Integrated Waste Management Plan was completed and adopted by Council and has been sent to MEC for approval. The municipality gazetted refuse Removal & sanitary by-laws which are currently being reviewed as per the NEMWA.

The Mbizana Local Municipality has adopted a climate change strategy which has been included in the IDP.

Municipality provide this service to 1234 households in town, 204 small businesses and 49 big businesses including government departments. The service has been extended to few businesses and institutions outside town. There is 1 licensed landfill site (GSB type) which is still under construction.

1 Dumping site which will be rehabilitated for closure as soon as the Majazi landfill site is operational.

The municipality supports recycling initiatives in town while the refuse and sanitary by-laws are under review

e) Local economic development

The following plans were developed, adopted by council and are being implemented:

- LED strategy
- Tourism Plan
- Agricultural Plan
- Spatial Development Framework.

The municipality also initiated Contractor Development programme which has proven to be fruitful and helpful to the emerging contractors.

A total of 16 enrolled contractors have been provided with job opportunities, 12 contractors have graduated from Grade 1 to different grades up to Grade 6, 40 contractors have been trained on Project Management, Tendering Processes, Quality Management Systems, Occupational Health and Safety, and Contracts Management

The Municipality had funded 2 Anchor projects with equipment and machinery and are still fully functional and operating.

- Voli Petroleum project –
- Luvolwam Steel project

WILD COAST N2 TOLL ROAD

SANRAL appointed Academy for the Construction Skills (ACS) to recruit contractors that will be on learner ship program for a period of two years.

LTA Grinaiker JV STRABAAG have been appointed and introduced to execute Mtentu bridge construction.

R61 ROAD CONSTRUCTION

Approximately 201 SMMEs have benefitted from R61 road construction with a total expenditure of R23 403 321.84

f) Tourism and Agriculture

The tourism plan was developed and currently under execution.

Mbizana Municipality in partnership with ECPTA, Wild Coast Sun and South Coast Tourism have signed an MOU for the promotion and marketing of tourism.

The Municipality has purchased paddle boats and mountain bikes for Mzamba Ndkini tours which is operating in Mzamba area as part of tourism development

RED HUB:

Funded by ECRDA and Facilitated by the Local Municipality and the DM.

Agro- processing business that has 14 primary Cooperatives and one secondary with 759 Beneficiaries.

The RED Hub has employed 54 people in various Departments.

5 small scale farmers have been funded with an amount not exceeding R100 000 per project.

8 Income Generating Projects have been supported with Agricultural Inputs.

The CWP programme is implemented in 19 wards with 1564 participants and the funding allocated for this programme was R16 518 296.00.

The following wards (04,05,06,07,08,12,13,15,17,18,19,20,22,23,26,27,29,30 and 31) have Agriculture , construction and social sectors

g) Land use and spatial planning

Settlement patterns in Mbizana still reflect, to a large extent, spatial planning of the Apartheid past.

The current structure and spread of rural settlements and households therein makes it difficult for the municipality to provide services in an effective and efficient manner.

The municipality has made strides in redressing the imbalances of Apartheid spatial planning in identifying and providing basic services in those areas that were ignored in the past

Land claims still poses a challenge in development of some areas in town but municipality is in talks with CPAs to resolve those issues.

The Mbizana Local Municipality has in the recent past endeavored to ensure that electricity is rolled out to a number of villages. This has seen the electrification of the following villages in the 2016/18 financial period which are nearing completion and some been completed already:-

Name of Project	Budgeted Amount	Funding Source
Monti-Ntlozelo Linkline	R 9 556 515	INEP
Electrification of Mpetsheni	R 10 748 945	INEP and Provincial Grant
Electrification of Jama Village	R 4 744 544	Provincial Grant
Electrification of Mpisi Village	R 5 295 250	Provincial Grant
5 MVA Backbone line	R 500 000	Provincial Grant
Electrification of Qungebe-Ludeke	R 4 786 906	Provincial Grant
Electrification of Mpindweni	R 4 648 840	INEP

These were funded the R21 million allocation from the Provincial Department of CoGTA and the remainder of the INEP allocation that will not be used to repay the loan with DBSA.

For the next three years the municipality has no additional funding to use in the electrification related projects other than the indicated INEP allocations which stand at R25 million for the 2018/19 financial year from which the following projects will be implemented:

Project Name	Allocated amount	Funding Source
Mampingeni, Swane Giniswayo, Lucwaba	R 9 000 000	INEP
Diphini, Mandlobe, Madada, Sgodlweni	R 8 015 000	INEP
Mdikisweni, Ukhalo, Pelepele	R 8 015 000	INEP
TOTAL	R 25 030 000	

This will result in the electrification of 1800 households when the project is completed.

The municipality also receives a Municipal Infrastructure Grant for the construction of infrastructure assets that enhance service delivery to all communities. The total amount to be received of just above R48 million has been allocated as follows:

NAME OF PROJECT	BUDGETED AMOUNT	
Mphuthumi Mafumbatha Stadium	R 13 607 591,00	MIG
Ward 14 ECDC	R 2 100 000,00	MIG
Mbizana Civic Center	R 7 000 000,00	MIG
Purchase of IT equipment	R 532 441,00	MIG
Sigidi to the beach Access Road	R 2 847 117,00	MIG
Tarring of internal Streets	R 115 000,00	MIG
Kwandela bridge	R 5 171 652,00	MIG
Nonqulana Monument Access Road	R 1 912 275,00	MIG
Nggindilili Monument Access Road	R 50 484,00	MIG
Mgomazi Access Road	R 1 336 534,00	MIG
Mntomkhulu to Gxeni Access Road	R 5 000 000,00	MIG
Sikhombe Access Road	R 5 898 346,00	MIG
	R 45 571 440,00	

The compilation of the 2018/19 annual budget has also taken into consideration the following imperatives that impact directly to our communities:-

Repairs and Maintenance of Infrastructure Assets: The municipality has an understanding that at least 8% of its budget must be set aside for the repairs and maintenance of the existing infrastructure. As part of its drive to ensure that road infrastructure assets are maintained adequately, an amount of R3 million has been set aside for the purchase of earthmoving plant so that the municipality would be able to carry out its own repairs and maintenance and R 3 million to outsource CBD maintenance. A further R3,1 million has been set aside for the maintenance of municipal buildings and another R2,1 million for the maintenance of municipal vehicles and plant.

OR Tambo Centenary : As it was declared nationally that 2017 is OR Tambo centenary as the home of this legend council takes pride in being part of celebrating the life and time of OR Tambo. It is a live conviction of this council to ensure that his legacy lives for the generations to come. It is not the wish of this council to only celebrate through events but tangible legacy projects that will ensure that our claim and ownership of this international icon is validated. A budget allocation of R2,6 million has been provided for this important activity.

Public participation: Municipality will embark on community education program in all wards in order to capacitate our communities on their role during public participation/ hearings on municipal documents. Also will capacitate ward committees in ensuring coordinated servicing of our communities and as structures closer to people. Program of establishment, launch and support of ward war rooms will continue this financial year as part of strengthening community and

stakeholder involvement on government programs. An amount of R3,1 million has been set aside for this.

IDP and performance management: Council will continue to ensure that our IDP maintains its high credibility status through enhancing maximum public participation of all role players. We will continue to ensure that our mission of promoting and ensuring a culture of performance excellence is achieved at all costs. Although resources are very limited, these important planning and monitoring tools have been budgeted for at R1,8 million.

Special Programs and Sport Development: Council will always contribute in changing lives of our special groups, our focus will be towards improving education in our region through supporting educational improving initiatives, will also be strengthening capacity to community based structures that assist particularly in fighting violence and crimes targeting our elderly, children and women. We will continue to ensure that our council educate our communities on rights of people with disabilities and support initiatives that combats discrimination against them. An amount of just above R2 million has been set aside for these special groups.

Implementation of SPLUMA: Implementation of the act and running of the municipal tribunal and payment of the members to sit in the tribunal. The tribunal will consider development applications that will in turn increase the revenue base. We trust that the R400 000 set aside as well for this purpose will be sufficient.

Geographic Information System (GIS): Acquisition tool to assist to improve the immovable asset. It is the compliance issue for spatial analysis. This will also assist in the identification of municipal assets and their locations. An amount of just above R474 has been set aside for this.

The Annual Budget as compiled by the municipality seeks to address the imperatives as set out in the Integrated Development Plan and the indicated Delivery Agreement – outcome 9, which is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen partnerships between local government, communities and civil society. The Outcome consists of seven outputs which need to be achieved, viz.

- Implement a differentiated approach to municipal financing, planning and support;
- Improve access to basic services;
- Implementation of the Community Work Programme;
- Actions supportive of the human settlement outcome;
- Deepen democracy through a refined Ward Committee Model;
- Improve administrative and financial capability;
- A single window of coordination.

The Mbizana Local Municipality annual budget and the Integrated Development Plan therefore seeks to ensure that the service delivery priorities as mandated by the constitution like electricity, roads, solid waste removal are provided to the communities. This is done at the same time whilst ensuring co-ordination of other organs of state like the District Municipality for the provision of water and sanitation and other provincial departments for respective services to the communities.

1.2 Council Resolutions

The Council of Mbizana Local Municipality met by the 29th of March 2018 to consider the annual budget tabled by the Mayor at least 90 days before the start of the financial year 2018/19 and the Medium Term Revenue and Expenditure Framework. The council must then consider the following resolutions which will become final when the budget is adopted.

The Mayor of Mbizana Local Municipality, acting in terms of section 16(2)(1) of the Municipal Finance Management Act, (Act 56 of 2003) tabled the draft budget in a council meeting which adopts:

- a. The draft annual budget of the municipality for the financial year 2018/19 and the multi-year and single-year capital appropriations as set out in the following tables:
 - i) Budgeted Financial Performance (revenue and expenditure by standard classification);
 - ii) Budgeted Financial Performance (revenue and expenditure by municipal vote) ;
 - iii) Budgeted Financial Performance (revenue by source and expenditure by type); and
 - iv) Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.
- b. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables:
 - i. Budgeted Financial Position;
 - ii. Budgeted Cash Flows;
 - iii. Cash backed reserves and accumulated surplus reconciliation;
 - iv. Asset management; and
 - v. Basic service delivery measurement.
- c. The Council of Mbizana Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) adopts the following proposed tariffs with effect from 1 July 2018:
 - i) the tariffs for property rates
 - ii) the tariffs for electricity
 - iii) the tariffs for solid waste services
- d. The Council of Mbizana Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) adopts the proposed tariffs with effect from 1 July 2018 the tariffs for other services, as set out in the paragraphs on tariffs;

- e. To give proper effect to the municipality's annual budget, the Council of Mbizana Local Municipality adopts:
 - i) That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed.
- f. To enable the proper implementation of the municipality's budget, the council of Mbizana Local Municipality adopts the following budget related policies;
 - i) The Budget Policy
 - ii) Credit control and debt collection policy
 - iii) Property Rates Policy
 - iv) Supply Chain Management Policy
 - v) Tariff Policy
 - vi) Asset Management Policy
 - vii) Supply Chain Policy for Infrastructure Procurement and Delivery Management
 - viii) Cash Management and Investment Policy
 - ix) Contract Management policy
 - x) Debtors write-off policy
 - xi) Apportionment for monthly payments of Eskom
 - xii) Investment Management policy
 - xiii) Borrowings policy

1.3 Executive Summary

As mentioned in the earlier paragraphs, the municipality prioritizes the delivery of basic services to the communities. The addressing of backlogs, especially electrification, roads and community facilities has forced the municipality to utilize its cash reserves which lead to them being depleted. This means that for the current financial year being budgeted for, and the medium term, the municipality has had to perform a delicate balancing act by ensuring provision of basic services to the communities using the limited resources in a way that ensures that the municipality remains financially viable.

Previous years audit outcomes

The municipality has, in the recent past, ensured that there are improved audit outcomes. This has been a concerted effort between the municipality's council and the management in ensuring that there are improved internal controls, historical issues and disparities in the reported information are dealt with and cleared, and that accounting records and procedures are carried out at appropriate intervals. This has seen the municipality receiving unqualified audit opinions for the 2015/16 and 2016/17 financial years respectively. The municipality intends to improve on these achievements and avoid regression at all costs.

mSCOA Implementation

The National Treasury issued a gazette in 2014, directing that a Municipal Standard Chart of Accounts – mSCOA – would be used by all municipalities from July 01, 2017. This meant that all municipalities will have a common set of accounts from which to choose from, instead of each municipality having its own chart of accounts. This will result in a seamless reporting regime where information from all municipalities can be compared. The introduction of the business reform has meant that management needed to acquaint itself with the requirements and legislations that were meant to ensure implementation of mSCOA by July 01, 2017. The municipality complied with this requirement and the migration from the old system to the new system was done seamlessly with the assistance of the municipality's system vendors.

It is important to note that this did not represent a new system, but rather an introduction of a more detailed and streamlined way of doing business, starting from planning, where it guides you to do proper planning, informed by adequate costing. mSCOA also encourages revenue and expenditure items to be identified for what they really are and not grouped together with no detailed planning and calculation behind. We will now be able to identify the true cost of the projects that the municipality engages on, and be able to identify, from early on, the communities that stand to benefit from those projects.

Mbizana Local Municipality is no different and has ensured that measures are put in place to ensure compliance. It is therefore important to note that we have made all efforts to ensure that the budget that will be approved is mSCOA compliant.

The impact of mSCOA on the virement policy

Earlier treasury circulars highlighted the principles that must be incorporated into municipal virement policies. Those principles are still applicable and relevant. The only difference is that a transaction in mSCOA relates to six regulated segments, therefore all segments must be considered when making a virement. As a result of this we have had to review and update our reference to "vote" to align to the function segment and indicate the funding applicable to the item

being transferred in relation to the funding segment. This therefore means that with the implementation of mSCOA, virements can only take place within a function or sub-function and the same source of funding. The creation of new projects and savings across functions can only take place through an adjustment budget. Virements are not permitted from the repairs and maintenance project in the project segment.

Clarification of core and non-core functions

Core functions provides for the matters in terms of section 156 (1) of the Constitution. These are functions performed by local government and constitutionally assigned to local government in terms of Part B of Schedule 4 and Part B of Schedule 5. Non-core functions performed by local government that are constitutionally assigned to provincial government in terms of section 156(4) of the Constitution. Local government are compensated for delivering these functions on behalf of provincial government and typically receive a management fee from the provincial department.

Budget Assumptions

As the municipality provides services to the communities, a significant amount of costs are incurred and these must be recovered somehow from the consumers. This is where the issue of tariff setting comes in, and we have in this regard been guided by the municipality's performance in the previous financial years, and the guidelines set by the National Treasury in numerous circulars, last of which was MFMA Treasury Circular No. 89 and 91. According to this circular, municipalities must consider the following consumer price index or inflationary indications:

Fiscal year	2017/18 Estimate	2018/19	2019/20 Forecast	2020/21 Forecast
Consumer Price Inflation - CPI	5.3%	5,3%	5,4%	5,5%

This means that any increase in the tariff increases and expenditure forecasts beyond the 3 - 6% need to be comprehensively motivated and explained. This means that to a large extent, some trading services remain heavily subsidized by other sources of revenue, a situation which needs to be changed as the council and management comes up with strategies of addressing this. It is clear for example that the solid waste removal is still heavily subsidized by other sources of revenue and the tariffs for this service cannot just be shot up as this would be inconsiderate and unaffordable for the communities served by the municipality.

The following are the key budget assumptions used to prepare the draft budget with the guidance of National Treasury, NERSA, and SALGBC –

- a) 6,84% increase on electricity tariffs
- b) 7,32% increase on Electricity purchases
- c) 6,3% provision for employee costs until a formal communication has been received from SALGBC
- d) 5,3% for all other expenses and municipal Tariffs

The Public Consultations

As detailed in the later paragraphs, the municipality will consult with the communities in relation to this budget and their inputs incorporated before finalization and final approval by council. The draft annual budget as compiled for the 2018/19 financial year and the MTREF therefore addresses priorities as per the IDP consultation processes, bearing in mind the limited resources

that the municipality has at its disposal. As indicated in earlier paragraphs, the leading need by the communities is electrification and access roads, the budget is biased towards these. The budget also endeavors to allocate resources for construction and maintenance of access roads that ensure communities have access to schools, clinics and other basic necessities. Sport development is crucial for social cohesion, and central to this is the construction of infrastructure that would ensure that youths in the communities have access to sporting facilities. The budget therefore allocates resources to such, as prioritized by communities.

Policy Review

The municipal council has reviewed a number of policies, proposing amendments to these policies and these are detailed in the later paragraphs in more detail. Most of the adjustments that have been proposed are necessitated by developments and changes in the requirements of key regulatory institutions like the National Treasury and the South African Revenue Services. This includes the requirements of the central supplier database where all service providers in South Africa must be registered before they can do business with the organs of state. The South African Revenue service introduced new ways of tax compliance status verification and new procedures were also issued to deal with service providers who are not tax compliant.

These development therefore necessitated improvements or changes to the Supply Chain Management Policy.

The National Treasury also introduced a guide for municipalities to develop a Supply Chain Management Policy for Infrastructure Procurement. This policy, as the name indicates, is meant to be specific on the procurement of infrastructure, and that the designed gates, at which there needs to be appropriate approval are set and understood.

The preparation of the budget has relied mainly on the statistics as provided in the Census of 2011 and the recent release. Although this has been the basis, we have kept in mind the growth of communities we serve within the municipality. The assumptions utilized in the compilation of this budget have also been based on the guidance provided by the National Treasury on the inflationary indicators to be utilized. The guidance has also touched on the requirements and expectations from the National Energy Regulator of South Africa (NERSA) on the percentage increase that can be effected on electricity tariffs.

Measureable Performance Objectives and Indicators

As part of the IDP and budget compilation process, management has identified the strategic objectives and performance indicators that would enable the municipality to achieve on the mandated powers and functions. These have been set out in the IDP with measureable performance indicators, and the budgeted amounts for the 2018/19 financial year and the two outer years. This information has further been detailed more in the draft Service Delivery Budget Implementation Plan for the 2018/19 financial year which must be approved by the Mayor at least 28 days after the adoption of the budget. The objectives have further been provided with projects that will be implemented to achieve the set targets and these projects have been supported by project implementation plans for each of the projects.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2018/19 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2018/19 MTREF

	MBIZANA LOCAL MUNICIPALITY				MTREF		
	Original Budg	YTD	Full Forecast	Adjusted Budg	Budget 2018/19	Forecast 2019/20	Forecast 2020/21
Revenue By Source							
Property rates	-22 341 792,00	-16 847 530,81	-28 881 481,39	-22 341 792,00	-23 570 590,56	-24 843 402,45	-26 209 789,59
Service charges - electricity revenue	-29 573 592,00	-16 821 951,79	-28 837 631,64	-30 023 506,00	-32 076 375,26	-34 269 562,00	-36 612 778,79
Service charges - water revenue							
Service charges - sanitation revenue							
Service charges - refuse revenue	-2 121 996,00	-753 995,16	-1 292 563,13	-1 292 563,13	-1 363 654,10	-1 438 655,08	-1 517 781,11
Service charges - other	-1 332,00	-689,52	-1 182,03	-1 332,00	-1 405,26	-1 481,14	-1 562,61
Rental of facilities and equipment	-753 876,00	-499 514,37	-856 310,35	-856 310,35	-903 407,42	-952 191,42	-1 004 561,95
Interest earned - external investment	-6 158 820,00	-4 391 261,78	-7 527 877,34	-7 527 877,34	-7 941 910,59	-8 370 773,77	-8 831 166,32
Interest earned - outstanding debtors	-1 799 868,00	-2 199 789,46	-3 771 067,65	-3 796 953,81	-4 005 786,27	-4 222 098,73	-4 454 314,16
Dividends received							
Fines, penalties and forfeits	-785 700,00	-725 661,88	-1 243 991,79	-1 924 947,22	-2 030 819,32	-2 140 483,56	-2 258 210,16
Licences and permits	-2 249 316,00	-1 268 324,22	-2 174 270,09	-2 174 270,09	-2 293 854,94	-2 417 723,11	-2 550 697,88
Agency services	-783 048,00	-681 937,59	-1 169 035,87	-1 169 035,87	-1 233 332,84	-1 299 932,82	-1 371 429,12
Transfers and subsidies	-318 738 996,00	-192 330 410,67	-329 709 275,43	-319 338 996,00	-307 969 000,00	-327 048 000,00	-347 807 000,00
Other revenue	-1 304 137,00	-631 599,37	-1 039 952,84	-1 475 603,48	-1 556 761,67	-1 640 826,80	-1 731 072,28
Gains on disposal of PPE							
Total Revenue (excluding capital)	-386 612 473,00	-237 152 666,62	-406 504 639,55	-391 923 187,29	-384 946 898,24	-408 645 130,88	-434 350 363,96
Expenditure By Type							
Employee related costs	102 407 606,00	2 806 164,00	79 366 376,41	97 415 606,00	107 293 533,82	112 773 563,42	118 976 109,40
Remuneration of councillors	21 502 248,00		22 422 436,00	22 422 436,00	23 588 402,67	24 862 176,42	26 229 596,12
Debt impairment	1 995 000,00			1 995 000,00	2 100 735,00	2 214 174,69	2 335 954,30
Depreciation & asset impairment	46 010 532,00	22 419 466,18	38 433 370,59	46 010 532,00	48 449 090,20	51 065 341,07	53 873 934,83
Finance charges	1 574 700,00	62 324,11	106 841,33	1 574 700,00	1 658 159,10	1 747 699,69	1 843 823,17
Bulk purchases	31 303 020,00	17 479 849,41	29 965 456,13	31 303 020,00	33 594 401,06	36 053 511,22	38 692 628,24
Other materials	6 455 180,00	3 157 936,14	5 413 604,81	7 056 700,00	7 721 823,72	8 138 802,20	8 586 436,32
Contracted services	29 327 836,00	11 440 266,75	20 696 885,86	35 176 840,00	44 891 763,66	45 838 696,65	48 337 824,96
Transfers and subsidies	5 281 016,00	2 117 789,27	3 630 495,89	5 281 016,00	5 212 799,64	4 984 154,82	5 258 283,33
Other expenditure	55 631 911,00	24 476 595,41	44 115 403,29	58 858 603,00	65 530 308,68	68 907 163,96	72 697 057,97
Loss on disposal of PPE		1 045 066,27	1 791 542,18	38 693 551,22			
	301 489 049,00	85 005 457,54	245 942 412,50	345 788 004,22	340 041 017,55	356 585 284,12	376 831 648,65

The table above shows the summary of the draft budget for the 2018/19 financial period with the outer years. The table shows that the expected revenue for the 2018/19 financial year adds up to just above R385 million. The revenue is mainly expected from grant funding to the value of R307 million and this forms about 80% of the total revenue budget.

The municipality has seen a slight improvement in the 2017/18 financial year in the revenue generated from electricity. We have a strong belief that a lot more still needs to be done to ensure that there are surpluses realized from this trading service and we are able to augment and improve on the current service delivery to the communities. We forecast that an amount of R32 million will be generated from this revenue source.

The employee related costs show a significant increase as a result of percentage increase resulting from the anticipated agreements in the Bargaining Council. The basis of the budgeted amount for employee related costs is on the approved organizational structure which should enable the municipality to achieve its objectives. The employee related costs are at 31,4% of the budgeted operational expenditure excluding remuneration of councillors.

MBIZANA LOCAL MUNICIPALITY							
	CURRENT YEAR				MTREF		
	Original Budg	YTD	Full Forecast	Adjusted Budg	Budget 2018/19	Forecast 2019/20	Forecast 2020/21
Revenue							
1.1 - Council General Expenses	-	-	-	-	-	-	-
1.3 - Municipal Manager	9 996,00	-	-	9 996,00	-	-	-
2.1 - Budget & Treasury	-231 164 185,00	-173 356 136,14	-297 181 947,67	-235 122 929,60	-269 978 256,51	-295 844 122,36	-318 622 824,09
3.1 - Corporate Service	-219 636,00	-65 616,90	-112 486,11	-112 486,11	-118 672,85	-125 081,18	-131 960,64
4.1 - Development Planning	-217 716,00	-88 983,58	-152 543,28	-252 543,27	-160 933,15	-169 623,54	-178 952,83
5.1 - Community & Social Services	-3 933 960,00	-3 044 543,19	-5 219 216,90	-5 535 935,31	-5 919 157,53	-6 157 600,04	-6 496 763,04
5.2 - Refuse Removal	-3 865 008,00	-1 635 305,36	-2 803 380,62	-3 535 575,13	-3 739 811,76	-1 482 035,25	-1 563 547,19
6.1 - Roads & Engineering	-61 618 548,00	-34 288 641,63	-58 780 528,51	-61 303 080,87	-47 547 968,76	-48 501 095,07	-51 125 745,30
6.2 - Electricity	-85 593 420,00	-24 673 439,82	-42 297 325,41	-86 060 637,00	-57 482 097,68	-56 365 573,44	-56 230 570,86
	-386 602 477,00	-237 152 666,62	-406 547 428,49	-391 923 187,29	-384 946 898,24	-408 645 130,88	-434 350 363,96
Expenditure							
1.1 - Council General Expenses	38 865 154,00	8 546 716,63	37 073 950,22	40 848 342,00	45 656 675,14	48 122 135,60	50 768 853,06
1.3 - Municipal Manager	28 560 713,00	4 382 324,99	22 665 557,11	28 877 713,00	35 561 357,98	36 566 488,91	38 555 645,80
2.1 - Budget & Treasury	68 839 542,00	28 322 166,29	58 483 661,19	107 801 593,22	72 946 315,11	76 885 416,13	81 114 114,02
3.1 - Corporate Service	45 203 353,00	15 366 492,80	37 235 799,26	44 823 353,00	47 144 229,68	49 664 002,69	52 395 522,84
4.1 - Development Planning	15 546 213,00	1 803 679,90	10 608 560,06	15 746 213,00	21 060 092,46	20 797 886,62	21 941 770,38
5.1 - Community & Social Services	38 790 324,00	5 936 057,49	25 992 868,22	39 795 348,00	43 030 033,81	45 353 655,64	47 848 106,70
5.2 - Refuse Removal	16 080 549,00	1 339 717,44	9 713 621,59	17 097 741,00	16 281 589,45	17 038 483,03	17 975 599,60
6.1 - Roads & Engineering	11 363 581,00	1 489 531,89	10 751 998,62	12 733 581,00	17 154 823,02	18 081 183,46	19 075 648,55
6.2 - Electricity	38 239 620,00	17 818 770,11	33 416 396,23	38 064 120,00	41 205 900,89	44 076 032,04	47 156 387,71
	301 489 049,00	85 005 457,54	245 942 412,50	345 788 004,22	340 041 017,55	356 585 284,12	376 831 648,65

a. REVENUE

Anticipated revenues look to have decreased compared to the 2017/18 budget and this is due to the decrease in capital grants as we may recall that we had an allocation of R21 million for electrification from the province which was not allocated this year. There was also a decrease in both the MIG and INEP allocations for the year. These have resulted in a decrease in overall revenue anticipated even though some revenue items have increased.

b. EXPENDITURE

MM's Office and Council expense

This is one of the departments that has made submissions and these have been taken into account using the set limits of 5,3% for the overall expenditures and then using those to reprioritise.

Budget and Treasury

The major contributors are depreciation, external audit fees. Significant projects in the department are those of the review of the infrastructure fixed assets register, implementation of the contract management findings and action plan thereof. A lot of trainings will also need to be conducted to get all members who sit in BID committees acquainted with the new regulations.

Corporate Services

The major expenditures relate to repairs of municipal vehicles, telephone and fax, purchase of municipal vehicles which are centralised.

Development Planning

The department has made provisions for general valuation, Spluma, Tourism, agricultural events and development of SMME's including any support that is provided by the municipality to those. There are also provisions for surveying of municipal properties including the legal fees involved in the process.

Community and Social Services

The department has made provision for the rehabilitation of the landfill site, purchase of Majazi Landfill site equipment, provision of security services, public safety awareness campaigns, the operation and maintenance of the municipal pound. The department on top of the EPWP grant funded casuals has made a provision for more casual labour to assist in the refuse removal services of the municipality. They have also requested overtime to be allocated more funds amounting to R3 million.

Road Engineering

The allocations made relate to the day to day operations of the department. There are also allocations for fuel and oil for the municipal plant which will be used to maintain some of the roads within the municipality. A provision of R3 million has been made to cater for external road maintenance and CBD maintenance.

Electricity

The department's biggest allocation has gone to the electricity purchases which is paid to Eskom for the supply of electricity. There are also allocations of over R2,6 million that are made for purchase of electrical material.

1.4 Operating Revenue Framework

Mbizana Local Municipality strives to provide its communities with the required services and for it to succeed in doing that, it has to ensure that it has an operating revenue framework that ensures that it is able to fund its operations. This talks to the fact that there must be strategies in place to maximize the collection of revenue from the streams that already exist, but as well identify new revenue streams to augment the existing ones. A revenue enhancement strategy was approved by the council and management is currently busy with the implementation of that plan.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipal area and continued economic development;
- Efficient revenue management;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA) as amended;
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

In preparing the budgets, realistically anticipated revenues have been considered, and as has been indicated several times earlier, the tough economic conditions reflect on the reduces anticipated revenues. The property rates, electricity all show a slight increase and the main consideration has been the declining trend over the past few years, coupled with the weak performance of the said items.

1.5 Reconciliation of grants allocations

Reconciliation of Mbizana Local Municipality allocations for 2018 MTREF					
	2017/18	% increase/decrease	2018/19	2019/20	2020/21
National Allocations					
<i>Operational</i>	204 588 900,00	16,06	237 445 800,00	259 013 100,00	280 600 950,00
Equitable Share	197 681 000,00	16,61	230 525 000,00	254 380 000,00	275 837 000,00
Financial Management Grant	2 145 000,00	3,26	2 215 000,00	2 215 000,00	2 215 000,00
Expanded Public Works Programme	1 704 000,00	37,03	2 335 000,00	-	-
Municipal Infrastructure Grant	3 058 900,00	-22,50	2 370 800,00	2 418 100,00	2 548 950,00
<i>Capital</i>	92 119 100,00	-23,93	70 075 200,00	67 643 900,00	67 630 050,00
Municipal Infrastructure Grant	58 119 100,00	-22,50	45 045 200,00	45 943 900,00	48 430 050,00
Integrated National Electrification	34 000 000,00	-26,38	25 030 000,00	21 700 000,00	19 200 000,00
TOTAL NATIONAL ALLOCATIONS	296 708 000,00	3,64	307 521 000,00	326 657 000,00	348 231 000,00
					50 979 000,00
Provincial Allocations					
<i>Operational</i>			448 000,00	391 000,00	413 000,00
Library Subsidy			448 000,00	391 000,00	413 000,00
<i>Capital</i>	0	0	0	0	0
TOTAL PROVINCIAL ALLOCATIONS	-	-	448 000,00	391 000,00	413 000,00
TOTAL ALLOCATIONS	296 708 000,00	3,64	307 969 000,00	327 048 000,00	348 644 000,00

Table 2 Summary of revenue classified by main revenue source

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Revenue By Source											
Property rates	2	15 554	16 511	20 256	22 342	22 342	22 342	22 342	23 571	24 843	26 210
Service charges - electricity revenue	2	17 598	20 805	28 611	29 562	30 024	30 024	30 024	32 076	34 270	36 613
Service charges - water revenue	2	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue	2	—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue	2	1 033	1 008	1 143	2 123	1 294	1 294	1 294	1 364	1 439	1 518
Service charges - other			29	6	11	—	—	—	1	1	2
Rental of facilities and equipment		609	608	470	765	856	856	856	903	952	1 005
Interest earned - external investments		7 619	6 028	7 796	6 159	7 528	7 528	7 528	7 942	8 371	8 831
Interest earned - outstanding debtors		968	2 415	2 758	1 775	3 797	3 797	3 797	4 006	4 222	4 454
Dividends received		—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		1 271	1 659	1 297	823	1 925	1 925	1 925	2 031	2 140	2 258
Licences and permits		1 823	2 442	2 555	2 372	2 174	2 174	2 174	2 294	2 418	2 551
Agency services				943	863	1 169	1 169	1 169	1 233	1 300	1 371
Transfers and subsidies		151 593	189 891	182 912	204 939	202 480	202 480	202 480	237 894	259 404	280 177
Other revenue	2	1 059	1 109	1 085	1 078	1 476	1 476	1 476	1 557	1 641	1 731
Gains on disposal of PPE		—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		199 128	242 504	249 832	272 812	275 064	275 064	275 064	314 872	341 001	366 720

- Table 3 Percentage growth in revenue by main revenue source

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18					2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	% increase	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1											
Revenue By Source												
Property rates	2	15 554	16 511	20 256	22 342	22 342	22 342	22 342	5%	23 571	24 843	26 210
Service charges - electricity revenue	2	17 598	20 805	28 611	29 562	30 024	30 024	30 024	7%	32 076	34 270	36 613
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	1 033	1 008	1 143	2 123	1 294	1 294	1 294	5%	1 364	1 439	1 518
Service charges - other			29	6	11	-	-	-	-	1	1	2
Rental of facilities and equipment		609	608	470	765	856	856	856	6%	903	952	1 005
Interest earned - external investments		7 619	6 028	7 796	6 159	7 528	7 528	7 528	6%	7 942	8 371	8 831
Interest earned - outstanding debtors		968	2 415	2 758	1 775	3 797	3 797	3 797	6%	4 006	4 222	4 454
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 271	1 659	1 297	823	1 925	1 925	1 925	6%	2 031	2 140	2 258
Licences and permits		1 823	2 442	2 555	2 372	2 174	2 174	2 174	5%	2 294	2 418	2 551
Agency services				943	863	1 169	1 169	1 169	5%	1 233	1 300	1 371
Transfers and subsidies		151 593	189 891	182 912	204 939	202 480	202 480	202 480	17%	237 894	259 404	280 177
Other revenue	2	1 059	1 109	1 085	1 078	1 476	1 476	1 476	5%	1 557	1 641	1 731
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		199 128	242 504	249 832	272 812	275 064	275 064	275 064		314 872	341 001	366 720

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The own revenue generation of the municipality is pillared mainly by electricity distribution and levying of property rates. Although the municipality to a larger extent relies on grants, these own revenue sources remain very important and all efforts need to be made to ensure that maximum returns are realized on them.

Property Rates depend on the availability of the updated valuation roll to be levied. A valuation roll that has been finalized is coming to an end of its validity although it is under constant challenge from the rate payers. The availability of the valuation roll has meant that a detailed and involved process is followed to determine the tariff to be levied instead of using unreliable methods of calculations. The latest valuation roll, updated with the supplementary valuations was utilized in arriving at the possible amounts that can be raised out of property rates.

Electricity distribution forms a significant part of the own funding by the municipality. The performance of this stream of revenue has been under considerable strain over the past few years, and it has become difficult to expect an immediate change out of it, however measures implemented over the past financial year and during the year have begun to show some positive results which still need to be monitored closely.

Table 4 Operating Transfers and Grant Receipts

EC443 Mbizana - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		173 185	209 919	–	235 530	235 530	235 530	260 105	278 295	296 415
Local Government Equitable Share		145 251	181 314		197 681	197 681	197 681	230 525	254 380	275 000
Finance Management		1 600	1 675		2 145	2 145	2 145	2 215	2 215	2 215
Municipal Systems Improvement		934	930		–	–	–	–	–	–
EPWP Incentive		1 000	1 000		1 704	1 704	1 704	2 335	–	–
Integrated National Electrification Programme		24 400	25 000		34 000	34 000	34 000	25 030	21 700	19 200
LED Assistance Grant										
Provincial Government:		400	250	–	350	350	350	448	391	413
Sport and Recreation		–	250	–	350	350	350	448	391	413
LED Assistance Grant		400	–	–	–	–	–	–	–	–
District Municipality:		–	100	–	–	–	–	–	–	–
Integrated Development Planning		–	100	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	173 585	210 269	–	235 880	235 880	235 880	260 533	278 686	296 828
Capital Transfers and Grants										
National Government:		44 992	46 783	–	61 178	61 178	61 178	47 416	48 362	50 979
Municipal Infrastructure Grant (MIG)		44 992	46 783	–	61 178	61 178	61 178	47 416	48 362	50 979
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	21 681	21 681	21 681	–	–	–
Electrification Assistance		–	–	–	21 681	21 681	21 681	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Integrated Development Planning										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	44 992	46 783	–	82 859	82 859	82 859	47 416	48 362	50 979
TOTAL RECEIPTS OF TRANSFERS & GRANTS		218 577	257 052	–	318 739	318 739	318 739	307 969	327 048	347 807

Table 4 shows the operating grants that the municipality has been allocated for the 2018/19 financial period and the MTREF. The Equitable Share has increased to R230,5 million and the municipality revenue has grant funding in the excess of R307 million. It is important to note though that INEP and MIG have also decreased putting more pressure on the municipal resources when it comes to funding of the capital budget.

- **Financial Management Grant (FMG):** This grant is meant to assist in ensuring that financial management systems of the municipality are functioning and that the staff complement at the Budget and Treasury Office is adequately capacitated in terms of skill and understanding of accounting and municipal finance.

- **Municipal Infrastructure Grant (MIG) (Operational):** The MIG is meant for the development of infrastructure within the municipality, but then 5% of that is utilized for project management, payment of salaries of specific staff members and planning for those infrastructure projects.
- **Department of Sport and Culture – Library:** The grant is meant to assist in the running of the library, including ensuring that the library is appropriately stocked with books.

- **Tariff Setting for the 2018/19 and MTREF Period**

As part of generating own revenue, the municipality needs to set tariffs for the revenue streams for which it has been made responsible for in terms of various legislations. For example the Municipal Property Rates Act empowers the municipality to levy rates on all ratable properties.

A number of considerations have been taken into consideration in setting up the tariffs to be utilized from July 01, 2018 as indicated in earlier paragraphs. The municipality has not been immune to the adverse economic conditions that are currently experienced throughout the country. These conditions have been taken into consideration as the tariffs were being set and all the input costs that go into providing the specific services.

1.5.1.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. In determining the tariff, the municipality has considered the values of properties on which the municipality will levy rates, the amounts desirable from rates for budget purposes, and the historic tariffs of the previous financial years.

The Property Rates policy is one of the most important documents that we utilise in the determination of property rates. It should be kept in mind though that the Municipal Property Rates Act remains the reference point for this policy.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R40 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy. This is maintained from the previous financial year as there has not been any significant changes to the values of the properties;
- Details of further rebates and reductions are provided in the municipality's Property Rates Policy and the Indigent Policy.

The tariff structure has remain basically unchanged for residential properties as shown in the table below. However, it was brought into our attention by the National CoGTA that we had in the previous financial years unfairly charge government departments a higher rate than all other properties whilst these are not in the business of making profits. The vacant land has been raised higher to discourage hoarding of pieces of land that have not been developed. We have therefore taken these into consideration in arriving at the tariff as shown below

Table 5 Comparison of proposed rates to be levied for the 2018/19 financial year

PROJECTED TARIFFS	2018/19	2019/20	2020/21
	c/R	c/R	c/R
Residential	0,0060	0,0060	0,0060
Business And Commercial	0,0120	0,0120	0,0120
State Owned	0,0090	0,0090	0,0090
Vacant Land	0,0090	0,0090	0,0090

1.5.1.2 Sale of Electricity and Impact of Tariff Increases

The municipality distributes electricity in the town area of Mbizana and to do this, a service charge must be levied in order to recover the costs incurred. There has been a noticeable increase in the revenue generated from electricity as a result of projects undertaken that has seen losses reduced. However there is still a lot of work to be done to ensure that this service is at least able to sustain itself, and at some point be able to provide enough revenue for other service delivery imperatives.

As guided by National Treasury Circular 91, there has been very minimal increase in the electricity tariffs and this is informed by the percentage increase that has been considered for ESKOM by NERSA. We have therefore applied a 6,84% increase as directed. We however received another guide from the National Energy Regulator of South Africa (NERSA) indicating a guide of 6,84% increase on electricity tariffs. This is what has been factored in and the tariffs are as follows:-

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

ELECECRICITY TARRIFS			
DOMESTIC TARIFFS	2016/2017	2017/2018	2018/2019
DOMESTIC PREPAID			
TARIFF BLOCK			
Block 1 (0-50 KWh)	R 0,85	R 0,86	R 0,91
Block 2 (51-350 KWh)	R 1,08	R 1,10	R 1,17
Block 3 (351-600 KWh)	R 1,53	R 1,55	R 1,66
DOMESTIC CONVENTIONAL (c/KWh)			
TARIFF BLOCK			
Block 1 (0-50 KWh)	R 0,85	R 0,86	R 0,91
Block 2 (51-350 KWh)	R 1,08	R 1,10	R 1,17
Block 3 (351-600 KWh)	R 1,53	R 1,55	R 1,66
Block 4 (>600 KWh)	R 1,80	R 1,83	R 1,96
Basic Charge (R/ Month)	R 169,45	R 172,64	R 184,45
COMMERCIAL TARIFFS	2016/2017	2017/2018	
COMMERCIAL SINGLE PHASE CONVENTIONAL			

ELECECRICITY TARRIFS			
Basic Charge (R/ Month)	R 358,46	R 365,20	R 390,18
Energy Charge (c/KWh)	R 1,57	R 1,60	R 1,71
COMMERCIAL SINGLE PHASE PRE-PAID			
Basic Charge (R/ Month)	R 358,46	R 365,20	R 390,18
Energy Charge (c/KWh)	R 1,57	R 1,60	R 1,71
COMMERCIAL THREE PHASE			
	2016/2017	2017/2018	
COMMERCIAL THREE PHASE - CONVENTIONAL			
Basic Charge (R/ Month)	R 666,54	R 679,07	R 725,52
Energy Charge (c/KWh)	R 1,57	R 1,60	R 1,71
COMMERCIAL THREE PHASE - PRE-PAID			
Basic Charge (R/ Month)	R 666,54	R 679,07	R 725,52
Energy Charge (c/KWh)	R 1,50	R 1,60	R 1,71
INDUSTRIAL TARIFFS			
LARGE POWER USER (More than 100KVA Maximum Demand)			
Basic Charge (R/ Month)	R 1 127,52	R 1 148,72	R 1 227,29
Demand Charge (per KVA)	R 194,78	R 198,44	R 212,01
Energy Charge (c/KWh)	R 0,74	R 0,75	R 0,80

Other Electricity Related Tariffs

OTHER ELECTRICITY RELATED TARIFFS			
Connection Fees	2016/17	2017/18	2018/19
20 AMPS (Single Phase prepaid)	R 872,12	R 924,32	R 1 950,00
60 AMPS (Single Phase Prepaid)	R 2 858,44	R 3 032,80	R 2 430,00
100 AMPS (Prepaid/Conventional – 3Phase)	R 3 334,84	R 3 538,27	R 4 130,00
kVa	R 1 786,52	R 1 842,45	R 5 922,00
Temporal connection fee	R 381,12	R 404,37	R 428,63
Key pad replacement		R 404,37	
Reconnection Fees	R 381,12	R 404,37	R 428,63
Meter movement fee	R 393,26	R 417,25	R 442,29
Meter Replacements			
20 AMPS (Single Phase)	R 460,70	R 488,80	R 1 950,00
60 AMPS (Single Phase)	R 506,92	R 537,84	R 2 430,00
100 AMPS (Prepaid/Conventional – 3Phase)	R 1 866,02	R 1 979,85	R 4 130,00
Direct Tempering Fine			
First tamper	R 6 000,00	R 6 366,00	R 7 000,00
Second Temper	R 7 500,00	R 7 957,50	R 10 000,00
Third Temper	R 9 000,00	R 9 549,00	R 15 000,00
Fourth Temper (Permanent Disco	R 11 000,00	R 11 671,00	R 25 000,00
Indirect Tempering Fine			
Failure to report a free electricity dispensing unit will be regarded as direct tempering	R 3 500,00	R 3 713,50	R 7 000,00

1.5.1.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

The following table compares current and proposed amounts payable from 1 July 2018:

Table 6 Comparison between current waste removal fees and increases

TARRIFS	AMOUNTS 2017/18	AMOUNTS 2018/19	AMOUNTS 2019/20	AMOUNTS 2020/21
Clearing of sites (travelling per km more than 10 km from town charged using Dep. Of Transport rates)	R12.10 per m ²	R13.19 per m ²	R14.38 per m ²	R15.67 per m ²
Refuse removal				
Refuse Removal – big businesses				
More than 3 times weekly	R1 223,02	R2 000,00	R2 180,00	R2 376,20
Refuse Removal – small businesses	R282,89	R800,00	R872,00	R950,48
Refuse removal – businesses (Rural)	R611,51	R666,54	R726,53	R791,92
Refuse Removal-residences	R130,31	R142,03	R155,71	R169,72
Refuse Removal (Combined residence and business – less than 5 flats)	new	R282,89	R308,35	R336,10
Refuse Removal (Combined residence and business – more than 5 flats)	new	R400,00	R436,00	R475,24
Refuse Removal- vacant plots	R63,63	R69,35	R75,59	R82,39
Refuse removal – Special event (Travelling per km more than 10 km from town charged using Dep. Of Transport rates)	R1 782,15	R1 942,54	R2 117,37	R2 307,93
Waste Disposal				
Bakkie per load	R68,63	R74,80	R81,53	R88,87

TARRIFS	AMOUNTS	AMOUNTS	AMOUNTS	AMOUNTS
	2017/18	2018/19	2019/20	2020/21
Truck per load	R118,81	R129,50	R130,67	R131,85
Penalties illegal Dumping - General waste	R356,43	R388,50	R423,47	R461,58
Penalties illegal Dumping - Rubble	R831,67	R906,52	R988,11	R1 077,04
Penalties illegal Dumping – Hazardous waste	R1 188,10	R1 225,02	R1 335,27	R1 455,44
Hall Hire -town				
Meetings & Churches (hourly rate)	R124,10	R131,54	R139,43	R147,80
Entertainment & Workshops	R310,29	R328,90	R348,63	R369,55
Security Fees	R1 079,72	R1 144,50	R1 213,17	R1 285,96
Hall Hire - Villages				
Hall Hire	R276,17	R292,74	R310,30	R328,92
Security Fees	R552,33	R585,46	R620,59	R657,82
Sports Field/Stadium				
Special letting	R1 797,96	R1 905,84	R2 020,19	R2 141,40
Practices or Matches per 2 hours	R127,20	R134,83	R142,92	R151,50
Security Fees	R1 079,72	R1 144,50	R1 213,17	R1 285,96
Community Park & Open Spaces				
Group Entertainment	R474,32	R502,78	R532,95	R564,92
Security Fees	R1 079,72	R1 144,50	R1 213,17	R1 285,96
Cemetery				
Adults	R640,38	R678,80	R719,53	R762,70
Children	R322,02	R341,34	R361,82	R383,53
Stillborn	R126,25	R133,83	R141,85	R150,37
Grave digging	R1 235,96	R1 310,12	R1 388,72	R1 472,05
Library fees				
Photocopy (B&W per page)	R0,63	R1,00	R1,00	R1,00
Colour (per page)	R1,06	R2,00	R2,00	R2,00
Lost book	Market value of the book	Market value of the book	Market value of the book	Market value of the book
Overdue returns (per day)	R76,22	R80,79	R85,64	R90,78
Book Tempered with	R37,87	R40,14	R42,55	R45,10
Library membership				

TARRIFS	AMOUNTS	AMOUNTS	AMOUNTS	AMOUNTS
	2017/18	2018/19	2019/20	2020/21
Lost membership cards Adults – per annum	R63,12	R66,90	R70,91	R75,17
Children (12 years & older)- per annum	R35,75	R37,89	R40,16	R42,57

Storage at the Pound			
NB: Where there are more than five animals impounded, from the sixth animal, 50% of the daily rate will be charged. This charge will apply for animals belonging to one owner.			
	2017/18	2018/19	2019/20
Cattle, Horses, Donkeys and any other animal of similar size per day	R63.12 per night	63,12	R66,90
Goats, sheep and other animals of the same size per day	R37.64 per night	37,64	R39,89
If captured by SAPS(e.g. recovered stolen animals)	R25.25 per night	37,64	R39,89
Motor vehicles	R250.56 per night	R265,60	R281,54
Other goods	R44.94 per night	R47,65	R47,65
Admission of guilt/Animal (large stock)	R337,08	R250,00	R265,00
Admission of guilt/Animal (small stock)	R337,08	R100,00	R106,00

1.5.1.4 Other Municipal Tariffs

The municipality has other tariffs that are proposed to increase as follows:

Development Planning Tariffs

BUSINESS LICENSING FEES FORMAL INFORMAL BUSINESS TARIFF			
VENDING AND HAWKING TARRIFS	2016/17	2017/18	DRAFT 2018/19
Registration for permit	R 138,10	R 146,52	R 155,31
Hawker with stall renewal	R 265,00	R 281,17	R 298,04
Hawker without stall renewal	R 106,00	R 112,47	R 119,22
Registration of permit for bakkies	R 330,00	R 350,13	R 371,14
Renewal of permit for bakkies	R 550,00	R 583,55	R 618,56

BUSINESS LICENSING FEES FORMAL INFORMAL BUSINESS TARIFF					
VENDING AND HAWKING TARRIFS			2016/17	2017/18	DRAFT 2018/19
Hawkers outside of town without stall (once off)			R 53,00	R 56,23	R 59,60
Registration for hawkers with stalls outside town			R 106,00	R 112,47	R 119,22
Renewal for hawkers with stalls outside town			R 106,00	R 112,47	R 119,22
BUSINESS LICENSING FEES FORMAL BUSINESS TARIFF					
Registration fee (once off) for the above items shall be as follow					
			2016/17	2017/18	Draft 2018/19
1.	Sale and supply of meals		R -	R 25,00	R 26,50
2.	Health and entertainment		R -	R 25,00	R 26,50
3.	Mechanical electrical apparatus or devices (games) 3 or more		R -	R 25,00	R 26,50
NOTE: These fees are only registration fee and not the license fee,					
Increase is based on the average increase as per NT 18/19 MTREF circular 91 guideline					
Annual License fees (One year fee)					
			2016/17	2017/18	Draft 2018/19
1.	Sale and supply of meals		R -	R 225,00	R 238,50
2.	Health and entertainment		R -	R 225,00	R 238,50
3.	Mechanical electrical apparatus or devices (games) 3 or more		R -	R 225,00	R 238,50
Increase is based on the average increase as per NT 18/19 MTREF circular 91 guideline					

Town Planning Tariffs

ACTIVITY	2017/18 @6.1%	DRAFT 2018/19 @ 6%	PROJECTED 2019/20 @ 6%	PROJECTED 2020/21 @ 6%
News paper(s) and government gazette Advertising	Daily dispatch or Gov Gazette Tariff to be borne by the applicant	Daily dispatch or Gov Gazette Tariff to be borne by the applicant	Daily dispatch or Gov Gazette Tariff to be borne by the applicant	Daily dispatch or Gov Gazette Tariff to be borne by the applicant
Rezoning Application per m ²				
Erven 0 – 2500m ²	R2 091,87	R2 217,38	R2 350,43	R2 491,45
Erven 2501 – 5000m ²	R3 891,32	R4 124,80	R4 372,29	R4 634,62
Erven 5001 0 – 1 Ha	R7 661,17	R8 120,84	R8 608,09	R9 124,58
Erven 1, 0001Ha – 5Ha	R10 076,95	R10 681,57	R11 322,46	R12 001,81
Erven over 5Ha	R13 788,33	R14 615,63	R15 492,57	R16 422,12
Special Consent / Temporary Departure Application m ²				
Erven 0 – 2500m ²	R1 698,24	R1 800,13	R1 908,14	R2 022,63
Erven 2501 – 5000m ²	R3 497,69	R3 707,55	R3 930,00	R4 165,80
Erven 5001 0 – 1 Ha	R7 320,95	R7 760,21	R8 225,82	R8 719,37
Erven 1, 0001Ha – 5Ha	R9 908,25	R10 502,75	R11 132,91	R11 800,88
Erven over 5Ha	R13 057,30	R13 840,74	R14 671,18	R15 551,45
Subdivision Application				
Erven 1-2	R2 192,08	R2 323,60	R2 463,02	R2 610,80
Erven 1-3	R2 922,87	R3 098,24	R3 284,14	R3 481,18
Erven 1-4	R3 653,57	R3 872,78	R4 105,15	R4 351,46
Erven 1-5	R4 132,30	R4 380,24	R4 643,05	R4 921,64
Erven 1-6	R5 114,02	R5 420,86	R5 746,11	R6 090,88

ACTIVITY	2017/18 @6.1%	DRAFT 2018/19 @ 6%	PROJECTED 2019/20 @ 6%	PROJECTED 2020/21 @ 6%
Erven 1-7	R5 845,64	R6 196,38	R6 568,16	R6 962,25
Erven 1-8	R6 576,45	R6 971,04	R7 389,30	R7 832,66
Erven 1-9	R7 307,14	R7 745,57	R8 210,30	R8 702,92
Erven 1-10	R8 037,83	R8 520,10	R9 031,31	R9 573,18
Erven more than 10	R14 614,17	R15 491,02	R16 420,48	R17 405,71
Departure Application from the scheme (Building Lines, height, coverage etc)				
Erven 0 – 530m ²	R1 376,14	R1 458,71	R1 546,23	R1 639,00
Erven 531– more	R2 064,20	R2 188,05	R2 319,34	R2 458,50
Application for the Removal of Restrictions	R10 403,00	R11 027,18	R11 688,81	R12 390,14
Zoning Certificate	R134,96	R143,06	R151,64	R160,74
Town Planning Scheme	R337,40	R357,64	R379,10	R401,85
Spatial Development Framework	R562,33	R596,07	R631,83	R669,74
Application for Consolidation of Erven	R2 249,32	R2 384,28	R2 527,34	R2 678,98
SG Diagram	R1 124,66	R1 192,14	R1 263,67	R1 339,49
Amendment of the Subdivisional Plan	R2 900,50	R3 074,53	R3 259,00	R3 454,54
Extension of Validity	R4 956,59	R5 253,99	R5 569,22	R5 903,38
Sale or Lease of Land(Application fees)	R5 000,24	R5 300,25	R5 618,27	R5 955,37

NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977

OFFENCE CODE	NUMBER OF SECTION	DESCRIPTION OF OFFENCE	FINE 2018/2019	FINE 2019/2020	FINE 2020/2021
	4(4)	Building without approved building plan.	R1000	R 1060	R 1124.66
	10(2)	Building in contravention of a notice prohibiting any building work.	R1000	R 1060	R 1124.66
	12(6)	Failure to demolish, alter or safeguard.	R500	R 530	R 562.33
	14(3)	Submit false certificate or issuing thereof.	NAG		
	14(4) (a)	Occupy or use of building without occupation certificate.	R1000	R 1060	R 1124.66
	15(2)	Preventing a building control officer in the execution of his/her duties.	R1500	R 1590	R 1686.99
	19(2)	Prohibition on the use of certain building methods and materials.	R500	R 530	R 562.33
	A2 (3) (f)	Submit false or misleading information	NAG		
	A15 (5)	Failure to maintain, safeguard or service installation.	R500	R 530	R 562.33
	A17 (4)	Illegal or withdrawn certificate of identity.	NAG		

	A18 (5)	Failure to supervise and/or control plumbing work.	R500	R 530	R 562.33
	A22 (4)	Failure to give notice of intention to commence erection or demolition of a building.	R1000	R 1060	R 1124.66
	A25 (2)	Use of a building for a purpose other than the purpose shown on approved plans.	R1000	R 1060	R 1124.66
	A25 (5)	Deviation from approved building plan.	R1000	R 1060	R 1124.66
	A25 (11)	Failure to comply with any provision of or any notice issued in terms of Regulation A25 General Enforcement.	R1000	R 1060	R 1124.66
	D4 (2)	Failure to safeguard a swimming pool.	R1000	R 1060	R 1124.66
	E1 (1)	Failure to apply for written permission for demolition.	R1000	R 1060	R 1124.66
	E1 (3)	Failure to safeguard demolition work.	R1500	R 1590	R 1686.99
	F1 (6)	Failure to comply with any provision of or any notice issued in terms of Regulation F1 Protection of the public.	R1500	R 1590	
	F6 (3)	Failure to control dust and noise.	R500	R 530	R 562.33

	F7 (5)	Failure to comply with any provision of or any notice issued in terms of Regulation F6 regarding the Cutting into, laying open and demolishing certain work.	R500	R 530	R 562.33
	F8 (2)	Failure to comply with a notice to remove waste material on site.	R500	R 530	R 562.33
	F9 (2)	Failure to comply with any provision of or any notice issued in terms of Regulation F9 Cleaning of site.	R500	R 530	R 562.33
	F10 (7)	Failure to comply with any provision of or any notice issued in terms of Regulation F10 Builder's sheds.	R1000	R 1060	R 1124.66
	F11 (2)	Failure to comply with any provision of or any notice issued terms if Regulation F11 Sanitary facilities.	R500	R 530	R 562.33
	P1 (5)	Failure to comply with any provision of or any notice issued in terms of Regulation P1 Compulsory drainage building.	R500	R 530	R 562.33
	P3 (5)	Failure to comply with any provision of or any notice issued in terms off Regulation P3 Control of objectionable discharge.	R500	R 530	R 562.33

	P4 (2)	Failure to comply with any provision of or any notice in terms of Regulation P4 Industrial effluent.	R1000	R 1060	R 1124.66
	P5 (4)	Failure to comply with any provision of or any notice in terms of Regulation P5 Disconnections.	R500	R 530	R 562.33
	P6 (2)	Failure to comply with any provision of or any notice issued in terms of Regulation P6 Unauthorized drainage work.	R1000	R 1060	R 1124.66
	P7 (4)	Failure to comply with any provision of or any notice issued in terms of Regulations P7 Inspection and testing of drainage installations.	R1000	R 1060	R 1124.66
	T2 (1)	Failure to make and maintain adequate provision in terms of the requirements of Regulation T1 (1) (e) or failure to comply with relevant SABS specifications.	R1000	R 1060	R 1124.66
	T2 (2)	Obstructing or causing to be obstructed of an escape route.	R1000	R 1060	R 1124.66

GIS Tariffs

Size of Paper	Full Ink	2018/19	Line Map	2019/20
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A2	R50.00	R53.05	R25.00	R26.53
A1	R75.00	R79.58	R40.00	R42.44
A0	R100.00	R106.10	R50.00	R53.05

1.6 Operating Expenditure Framework

The Municipality's expenditure framework for the 2018/19 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2018/19 budget and MTREF (classified per main type of operating expenditure):

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
Expenditure By Type													
Employee related costs		2	59 634	71 790	80 378	107 442	102 519	102 519	102 519	107 294	112 774	118 976	
Remuneration of councillors			17 895	18 956	19 649	21 502	22 422	22 422	22 422	23 588	24 862	26 230	
Debt impairment		3	3 480	4 569	1 110	1 995	1 995	1 995	1 995	2 101	2 214	2 336	
Depreciation & asset impairment		2	38 360	37 992	39 229	46 011	46 011	46 011	46 011	48 449	51 065	53 874	
Finance charges			456	547	2 168	1 575	1 575	1 575	1 575	1 658	1 748	1 844	
Bulk purchases		2	22 310	24 528	27 606	31 303	31 303	31 303	31 303	33 594	36 054	38 693	
Other materials		8	–	–	–	882	7 056	7 056	7 056	7 722	8 139	8 586	
Contracted services			–	–	–	35 119	38 412	38 412	38 412	48 301	49 656	52 365	
Transfers and subsidies			–	–	4 491	11 209	2 380	2 380	2 380	2 158	1 764	1 861	
Other expenditure		4, 5	69 757	159 469	96 054	44 471	52 714	52 714	52 714	65 025	68 243	71 997	
Loss on disposal of PPE			–	19 236	7 676	–	38 694	38 694	38 694	–	–	–	
Total Expenditure				211 892	337 088	278 361	301 509	345 081	345 081	345 081	339 890	356 519	376 762

The budgeted allocation for employee related costs for the 2018/19 financial year totals R107 Million. Based on the guidelines on circular 89 and 91, salaries are factored into this budget at average CPI between (January 2017 and February 2018) plus 1 percent which was calculated to 6.3 percent for the 2018/19 financial year. An annual increase of 5.4 per cent has been included in the two outer years of the MTREF. As part of the planning, all departments have been requested to submit their personnel requirements for the years budgeted for. This includes existing positions that are currently filled, vacant positions that will be filled and as such should be budgeted for.

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

• Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. The municipality has set aside R9,2 million for the free basic energy and services for the 2018/19 financial period.

Table 9 Summary of operating expenditure by functional classification item

EC443 Mbizana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Expenditure - Functional										
Governance and administration		136 840	167 959	166 986	188 427	229 120	229 120	208 948	219 290	231 329
Executive and council		51 663	55 781	62 135	54 571	55 301	55 301	67 782	70 527	74 384
Finance and administration		85 177	112 178	104 851	130 744	170 706	170 706	141 166	148 763	156 945
Internal audit		-	-	-	3 112	3 112	3 112	-	-	-
Community and public safety		14 229	16 658	23 734	13 604	14 858	14 858	20 795	21 235	22 403
Community and social services		14 156	16 505	18 396	10 991	12 170	12 170	17 823	18 181	19 181
Sport and recreation		73	153	220	584	584	584	732	693	731
Public safety		-	-	5 118	948	1 023	1 023	1 091	1 149	1 213
Housing		-	-	-	1 080	1 080	1 080	1 149	1 211	1 278
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		22 521	32 708	26 642	30 374	38 379	38 379	48 553	51 011	53 817
Planning and development		8 517	12 328	14 026	18 758	18 992	18 992	23 116	24 202	25 533
Road transport		12 939	16 081	10 788	9 612	17 553	17 553	23 485	24 753	26 114
Environmental protection		1 065	4 299	1 828	2 004	1 834	1 834	1 952	2 057	2 170
Trading services		38 047	119 763	60 999	60 114	60 021	60 021	58 724	62 418	66 507
Energy sources		27 809	110 424	46 571	43 829	42 673	42 673	42 443	45 380	48 532
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		10 238	9 339	14 429	16 286	17 348	17 348	16 282	17 038	17 976
Other	4	255	-	-	8 990	2 703	2 703	2 870	2 564	2 705
Total Expenditure - Functional	3	211 892	337 088	278 361	301 509	345 081	345 081	339 890	356 519	376 762

The table above gives an overview of the operational expenditure per functional classification or by functional areas within the municipality.

- **Priority given to repairs and maintenance**

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2018/19 budget and MTREF provide for extensive growth in the area of asset maintenance. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 10 Operational repairs and maintenance

Repairs and Maintenance	8										
Employee related costs		-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	200	200	200	200	-	-	-
Contracted Services		-	-	-	5 607	6 292	6 099	6 099	10 257	10 609	11 193
Other Expenditure		3 328	5 292	5 017	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	9	3 328	5 292	5 017	5 807	6 492	6 299	6 299	10 257	10 609	11 193

An amount of R10.2 million has been set aside in the 2018/19 financial period for the maintenance of municipal assets. The amount is lower than the proposed treasury percentages, the municipality has taken a decision to rather purchase municipal plant and machinery which will be used to repair road infrastructure. This will ensure that there is improved access to all the wards in the municipality. There is also an increased need to repair other infrastructure assets like the municipal offices, community halls and the municipal vehicles.

Table 11 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC443 Mbizana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	85 835	96 914	67 026	63 525	41 526	41 526	41 526	47 125	51 545	56 130
Other current investments > 90 days		(0)	(7)	-	(0)	-	-	-	(0)	(7)	-
Non current assets - investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		85 835	96 907	67 026	63 525	41 526	41 526	41 526	47 125	51 545	56 130
Application of cash and investments											
Unspent conditional transfers		5 064	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	25 421	14 162	(2 807)	(4 423)	(3 752)	(3 752)	(3 752)	(20 956)	(29 859)	(40 106)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		30 485	14 162	(2 807)	(4 423)	(3 752)	(3 752)	(3 752)	(20 956)	(29 859)	(40 106)
Surplus(shortfall)		55 350	82 745	69 833	67 949	45 278	45 278	45 278	68 081	81 405	96 436

The table above shows the budgeted cash reserves and these are based on the current cash reserves in the municipality. As indicated by the table, there is a need to ensure that these reserves are preserved and built up again. This is after these reserves have been made available for infrastructure development within the municipality.

1.7 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

EC443 Mbizana - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET & TREASURY		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - ENGINEERING SERVICES		-	-	-	23 551	23 551	23 551	23 551	-	-	-
Vote 6 - DEVELOPMENT PLANNING		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	23 551	23 551	23 551	23 551	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	452	-	-	-	-	-	-	-
Vote 2 - BUDGET & TREASURY		-	4 415	-	80	100	100	100	-	-	-
Vote 3 - CORPORATE SERVICES		9 862	-	5 605	4 460	4 860	4 860	4 860	5 318	5 599	5 896
Vote 4 - COMMUNITY & SOCIAL SERVICES		3 010	-	-	2 468	1 880	1 880	1 880	3 732	3 929	4 138
Vote 5 - ENGINEERING SERVICES		145 779	95 103	77 560	84 243	108 746	108 746	108 746	79 201	70 739	68 169
Vote 6 - DEVELOPMENT PLANNING		-	-	-	400	300	300	300	440	463	488
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		158 651	99 518	83 617	91 651	115 886	115 886	115 886	88 691	80 731	78 691
Total Capital Expenditure - Vote		158 651	99 518	83 617	115 202	139 437	139 437	139 437	88 691	80 731	78 691

Table 12 2018/19 Medium-term capital budget by vote, functional classification and funding

EC443 Mbizana - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital Expenditure - Functional											
<i>Governance and administration</i>		9 862	4 415	6 057	4 876	4 960	4 960	4 960	5 318	5 599	5 896
Executive and council		-	-	452	-	-	-	-	-	-	-
Finance and administration		9 862	4 415	5 605	4 876	4 960	4 960	4 960	5 318	5 599	5 896
Internal audit		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	800	1 085	1 085	1 085	3 732	3 929	4 138
Community and social services		-	-	-	-	-	-	-	3 732	3 929	4 138
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	800	1 085	1 085	1 085	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		111 554	70 196	48 906	68 513	91 148	91 148	91 148	49 011	50 127	49 457
Planning and development		-	-	-	36 377	39 017	39 017	39 017	440	463	488
Road transport		111 554	70 196	48 906	32 036	52 101	52 101	52 101	48 571	49 664	48 969
Environmental protection		-	-	-	100	30	30	30	-	-	-
<i>Trading services</i>		37 236	24 907	28 653	41 013	42 244	42 244	42 244	30 630	21 076	19 200
Energy sources		34 225	24 907	28 653	40 281	41 779	41 779	41 779	30 630	21 076	19 200
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		3 010	-	-	732	465	465	465	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	158 651	99 518	83 617	115 202	139 437	139 437	139 437	88 691	80 731	78 691
Funded by:											
National Government		67 644	54 540	43 423	76 719	76 739	76 739	76 739	70 075	67 644	67 630
Provincial Government		-	-	-	21 681	21 681	21 681	21 681	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	67 644	54 540	43 423	98 400	98 420	98 420	98 420	70 075	67 644	67 630
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	8 983	17 067	28 653	-	-	-	-	-	-	-
Internally generated funds		82 024	27 911	11 540	16 802	41 017	41 017	41 017	18 615	13 088	11 061
Total Capital Funding	7	158 651	99 518	83 617	115 202	139 437	139 437	139 437	88 691	80 731	78 691

For the 2018/19 Annual budget, there is a decrease in the capital budget of the municipality. This accounts for about R88,6 million of the budget and this is mainly funded from the MIG for roads, community facilities and Sport facilities and INEP for electrification with the remainder funded from own funds.

1.8 Annual Budget Tables

The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2018/19 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory adopts* on the facing page.

Table 13 MBRR Table A1 - Budget Summary

EC443 Mbizana - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance										
Property rates	15 554	16 511	20 256	22 342	22 342	22 342	22 342	23 571	24 843	26 210
Service charges	18 631	21 842	29 760	31 696	31 317	31 317	31 317	33 441	35 710	38 132
Investment revenue	7 619	6 028	7 796	6 159	7 528	7 528	7 528	7 942	8 371	8 831
Transfers recognised - operational	151 593	189 891	182 912	204 939	202 480	202 480	202 480	237 894	259 404	280 177
Other own revenue	5 730	8 233	9 108	7 677	11 397	11 397	11 397	12 024	12 673	13 370
Total Revenue (excluding capital transfers and contributions)	199 128	242 504	249 832	272 812	275 064	275 064	275 064	314 872	341 001	366 720
Employee costs	59 634	71 790	80 378	107 442	102 519	102 519	102 519	107 294	112 774	118 976
Remuneration of councillors	17 895	18 956	19 649	21 502	22 422	22 422	22 422	23 588	24 862	26 230
Depreciation & asset impairment	38 360	37 992	39 229	46 011	46 011	46 011	46 011	48 449	51 065	53 874
Finance charges	456	547	2 168	1 575	1 575	1 575	1 575	1 658	1 748	1 844
Materials and bulk purchases	22 310	24 528	27 606	32 185	38 359	38 359	38 359	41 316	44 192	47 279
Transfers and grants	-	-	4 491	11 209	2 380	2 380	2 380	2 158	1 764	1 861
Other expenditure	73 237	183 274	104 840	81 585	131 815	131 815	131 815	115 427	120 113	126 698
Total Expenditure	211 892	337 088	278 361	301 509	345 081	345 081	345 081	339 890	356 519	376 762
Surplus/(Deficit)	(12 764)	(94 583)	(28 529)	(28 697)	(70 017)	(70 017)	(70 017)	(25 018)	(15 518)	(10 041)
Transfers and subsidies - capital (monetary alloc	67 644	69 511	72 645	113 800	116 859	116 859	116 859	70 075	67 644	67 630
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	54 880	(25 073)	44 116	85 104	46 842	46 842	46 842	45 057	52 126	57 589
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	54 880	(25 073)	44 116	85 104	46 842	46 842	46 842	45 057	52 126	57 589
Capital expenditure & funds sources										
Capital expenditure	158 651	99 518	83 617	115 202	139 437	139 437	139 437	88 691	80 731	78 691
Transfers recognised - capital	67 644	54 540	43 423	98 400	98 420	98 420	98 420	70 075	67 644	67 630
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	8 983	17 067	28 653	-	-	-	-	-	-	-
Internally generated funds	82 024	27 911	11 540	16 802	41 017	41 017	41 017	18 615	13 088	11 061
Total sources of capital funds	158 651	99 518	83 617	115 202	139 437	139 437	139 437	88 691	80 731	78 691
Financial position										
Total current assets	121 131	142 261	123 287	91 444	69 445	69 445	69 445	105 850	114 555	125 774
Total non current assets	607 451	582 555	616 609	687 627	711 862	711 862	711 862	752 394	782 360	807 486
Total current liabilities	64 194	69 876	57 580	20 832	20 832	20 832	20 832	36 049	31 552	27 709
Total non current liabilities	4 301	20 325	3 585	6 766	6 766	6 766	6 766	3 227	3 066	2 912
Community wealth/Equity	660 088	634 615	678 731	751 474	753 709	753 709	753 709	818 967	862 298	902 639
Cash flows										
Net cash from (used) operating	108 357	79 197	77 835	128 794	129 136	129 136	129 136	94 290	85 152	83 475
Net cash from (used) investing	(157 657)	(99 535)	(83 597)	(115 202)	(139 237)	(139 237)	(139 237)	(88 691)	(80 731)	(78 691)
Net cash from (used) financing	8 983	31 417	(24 126)	(15 399)	(15 399)	(15 399)	(15 399)	-	-	-
Cash/cash equivalents at the year end	85 835	96 914	67 026	63 525	41 526	41 526	41 526	47 125	51 545	56 330
Cash backing/surplus reconciliation										
Cash and investments available	85 835	96 907	67 026	63 525	41 526	41 526	41 526	47 125	51 545	56 330
Application of cash and investments	30 485	14 162	(2 807)	(4 423)	(3 752)	(3 752)	(3 752)	(20 956)	(29 859)	(40 106)
Balance - surplus (shortfall)	55 350	82 745	69 833	67 949	45 278	45 278	45 278	68 081	81 405	96 436
Asset management										
Asset register summary (WDOV)	600 262	494 059	501 633	687 627	687 627	686 102	-	-	-	-
Depreciation	-	36 659	39 229	46 011	46 011	46 011	48 449	51 065	53 874	-
Renewal of Existing Assets	-	-	-	7 370	7 370	7 370	-	-	-	-
Repairs and Maintenance	-	-	-	5 807	6 492	6 299	10 257	10 609	11 193	-
Free services										
Cost of Free Basic Services provided	-	-	-	150	150	150	150	150	150	150
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage	-	-	-	-	-	-	-	-	-	-
Energy	6	6	-	6	6	6	6	6	6	6
Refuse:	48	48	-	48	48	48	48	48	48	48

Explanatory adopts to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts for possible approval by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Efforts have been made in compiling the budget to ensure that the budget is cash backed. This is reflected by the positive cash flows that the municipality has. This requires the municipality to maintain its prudence to ensure that positive cash flows are maintained over the long term whilst ensuring that there is spending on projects that make a difference to people's livelihoods.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification)

EC443 Mbizana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional										
Governance and administration		172 875	209 376	210 682	231 376	235 200	235 200	270 097	295 969	318 755
Executive and council		-	-	532	-	-	-	-	-	-
Finance and administration		172 875	209 376	210 150	231 376	235 200	235 200	270 097	295 969	318 755
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		326	367	1 412	424	763	763	801	763	806
Community and social services		338	334	296	424	587	587	698	654	691
Sport and recreation		-	-	0	-	-	-	-	-	-
Public safety		-	-	1 107	-	177	177	103	109	115
Housing		(12)	33	8	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		48 883	54 107	50 117	65 230	66 363	66 363	52 827	54 065	56 996
Planning and development		351	88	246	102	334	334	293	309	326
Road transport		48 533	50 941	49 660	65 128	66 029	66 029	52 534	53 756	56 670
Environmental protection		-	3 079	211	-	-	-	-	-	-
Trading services		44 688	48 086	60 266	89 458	89 596	89 596	61 222	57 848	57 794
Energy sources		42 634	46 078	58 039	85 593	86 061	86 061	57 482	56 366	56 231
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 054	2 008	2 227	3 865	3 536	3 536	3 740	1 482	1 564
Other	4	-	79	-	123	-	-	-	-	-
Total Revenue - Functional	2	266 772	312 015	322 476	386 612	391 923	391 923	384 947	408 645	434 350
Expenditure - Functional										
Governance and administration		136 840	167 959	166 986	188 427	229 120	229 120	208 948	219 290	231 329
Executive and council		51 663	55 781	62 135	54 571	55 301	55 301	67 782	70 527	74 384
Finance and administration		85 177	112 178	104 851	130 744	170 706	170 706	141 166	148 763	156 945
Internal audit		-	-	-	3 112	3 112	3 112	-	-	-
Community and public safety		14 229	16 658	23 734	13 604	14 858	14 858	20 795	21 235	22 403
Community and social services		14 156	16 505	18 396	10 991	12 170	12 170	17 823	18 181	19 181
Sport and recreation		73	153	220	584	584	584	732	693	731
Public safety		-	-	5 118	948	1 023	1 023	1 091	1 149	1 213
Housing		-	-	-	1 080	1 080	1 080	1 149	1 211	1 278
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		22 521	32 708	26 642	30 374	38 379	38 379	48 553	51 011	53 817
Planning and development		8 517	12 328	14 026	18 758	18 992	18 992	23 116	24 202	25 533
Road transport		12 939	16 081	10 788	9 612	17 553	17 553	23 485	24 753	26 114
Environmental protection		1 065	4 299	1 828	2 004	1 834	1 834	1 952	2 057	2 170
Trading services		38 047	119 763	60 999	60 114	60 021	60 021	58 724	62 418	66 507
Energy sources		27 809	110 424	46 571	43 829	42 673	42 673	42 443	45 380	48 532
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		10 238	9 339	14 429	16 286	17 348	17 348	16 282	17 038	17 976
Other	4	255	-	-	8 990	2 703	2 703	2 870	2 564	2 705
Total Expenditure - Functional	3	211 892	337 088	278 361	301 509	345 081	345 081	339 890	356 519	376 762
Surplus/(Deficit) for the year		54 880	(25 073)	44 116	85 104	46 842	46 842	45 057	52 126	57 589

Explanatory adopts to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification)

The above table shows the allocations made by the municipality to the different classes or functions within the municipality and the contributions that will be made per standard class. It is pleasing to note that the table shows that the municipality's bigger share is allocated to service deliver functions as well as governance and administration. These are complementary in nature hence the allocations.

Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

EC443 Mbizana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote										
Vote 1 - EXECUTIVE & COUNCIL	1	-	-	532	-	-	-	-	-	-
Vote 2 - BUDGET & TREASURY		172 896	209 138	210 049	231 157	235 088	235 088	269 978	295 844	318 623
Vote 3 - CORPORATE SERVICES		195	237	100	220	112	112	119	125	132
Vote 4 - COMMUNITY & SOCIAL SERVICES		4 911	9 253	3 850	7 799	9 150	9 150	9 659	7 640	8 060
Vote 5 - ENGINEERING SERVICES		88 504	93 237	107 698	147 219	147 398	147 398	105 030	104 867	107 356
Vote 6 - DEVELOPMENT PLANNING		279	149	246	218	174	174	161	170	179
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	266 784	312 015	322 476	386 612	391 923	391 923	384 947	408 645	434 350
Expenditure by Vote to be appropriated										
Vote 1 - EXECUTIVE & COUNCIL	1	51 011	55 781	62 135	67 426	69 788	69 788	81 218	84 689	89 324
Vote 2 - BUDGET & TREASURY		65 394	81 451	68 227	68 840	107 802	107 802	72 946	76 885	81 114
Vote 3 - CORPORATE SERVICES		23 343	29 423	36 624	45 223	44 761	44 761	47 144	49 664	52 396
Vote 4 - COMMUNITY & SOCIAL SERVICES		26 362	36 973	39 991	54 871	51 308	51 308	59 312	62 392	65 824
Vote 5 - ENGINEERING SERVICES		38 119	120 717	57 358	49 603	55 776	55 776	58 361	62 157	66 232
Vote 6 - DEVELOPMENT PLANNING		7 674	12 743	14 026	15 546	15 646	15 646	20 909	20 731	21 872
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	211 904	337 088	278 361	301 509	345 081	345 081	339 890	356 519	376 762
Surplus/(Deficit) for the year	2	54 880	(25 073)	44 116	85 104	46 842	46 842	45 057	52 126	57 589

Listed in the table above are the revenue and expenditure classifications for all the departments within the municipality.

Explanatory adopts to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source											
Property rates	2	15 554	16 511	20 256	22 342	22 342	22 342	22 342	23 571	24 843	26 210
Service charges - electricity revenue	2	17 598	20 805	28 611	29 562	30 024	30 024	30 024	32 076	34 270	36 613
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	1 033	1 008	1 143	2 123	1 294	1 294	1 294	1 364	1 439	1 518
Service charges - other			29	6	11	-	-	-	1	1	2
Rental of facilities and equipment		609	608	470	765	856	856	856	903	952	1 005
Interest earned - external investments		7 619	6 028	7 796	6 159	7 528	7 528	7 528	7 942	8 371	8 831
Interest earned - outstanding debtors		968	2 415	2 758	1 775	3 797	3 797	3 797	4 006	4 222	4 454
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 271	1 659	1 297	823	1 925	1 925	1 925	2 031	2 140	2 258
Licences and permits		1 823	2 442	2 555	2 372	2 174	2 174	2 174	2 294	2 418	2 551
Agency services				943	863	1 169	1 169	1 169	1 233	1 300	1 371
Transfers and subsidies		151 593	189 891	182 912	204 939	202 480	202 480	202 480	237 894	259 404	280 177
Other revenue	2	1 059	1 109	1 085	1 078	1 476	1 476	1 476	1 557	1 641	1 731
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		199 128	242 504	249 832	272 812	275 064	275 064	275 064	314 872	341 001	366 720
Expenditure By Type											
Employee related costs	2	59 634	71 790	80 378	107 442	102 519	102 519	102 519	107 294	112 774	118 976
Remuneration of councillors		17 895	18 956	19 649	21 502	22 422	22 422	22 422	23 588	24 862	26 230
Debt impairment	3	3 480	4 569	1 110	1 995	1 995	1 995	1 995	2 101	2 214	2 336
Depreciation & asset impairment	2	38 360	37 992	39 229	46 011	46 011	46 011	46 011	48 449	51 065	53 674
Finance charges		456	547	2 168	1 575	1 575	1 575	1 575	1 658	1 748	1 844
Bulk purchases	2	22 310	24 528	27 606	31 303	31 303	31 303	31 303	33 594	36 054	38 693
Other materials	8	-	-	-	882	7 056	7 056	7 056	7 722	8 139	8 586
Contracted services		-	-	-	35 119	38 412	38 412	38 412	48 301	49 656	52 365
Transfers and subsidies		-	-	4 491	11 209	2 380	2 380	2 380	2 158	1 764	1 861
Other expenditure	4, 5	69 757	159 469	96 054	44 471	52 714	52 714	52 714	65 025	68 243	71 997
Loss on disposal of PPE		-	19 235	7 876	-	38 694	38 694	38 694	-	-	-
Total Expenditure		211 892	337 088	278 361	301 509	345 081	345 081	345 081	339 890	356 519	376 762
Surplus/(Deficit)		(12 764)	(94 583)	(28 529)	(28 697)	(70 017)	(70 017)	(70 017)	(25 018)	(15 518)	(10 041)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		67 644	69 511	72 645	113 800	116 859	116 859	116 859	70 075	67 644	67 630
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		54 880	(25 073)	44 116	85 104	46 842	46 842	46 842	45 057	52 126	57 589
Taxation											
Surplus/(Deficit) after taxation		54 880	(25 073)	44 116	85 104	46 842	46 842	46 842	45 057	52 126	57 589
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		54 880	(25 073)	44 116	85 104	46 842	46 842	46 842	45 057	52 126	57 589
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		54 880	(25 073)	44 116	85 104	46 842	46 842	46 842	45 057	52 126	57 589

Table 17 MBRR Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

EC443 Mbizana - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET & TREASURY		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - ENGINEERING SERVICES		-	-	-	23 551	23 551	23 551	23 551	-	-	-
Vote 6 - DEVELOPMENT PLANNING		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	23 551	23 551	23 551	23 551	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	452	-	-	-	-	-	-	-
Vote 2 - BUDGET & TREASURY		-	4 415	-	80	100	100	100	-	-	-
Vote 3 - CORPORATE SERVICES		9 862	-	5 605	4 460	4 860	4 860	4 860	5 318	5 599	5 896
Vote 4 - COMMUNITY & SOCIAL SERVICES		3 010	-	2 468	1 880	1 880	1 880	1 880	3 732	3 929	4 138
Vote 5 - ENGINEERING SERVICES		145 779	95 103	77 560	84 243	108 746	108 746	108 746	79 201	70 739	68 169
Vote 6 - DEVELOPMENT PLANNING		-	-	-	400	300	300	300	440	463	488
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		158 651	99 518	83 617	91 851	115 886	115 886	115 886	88 691	80 731	78 691
Total Capital Expenditure - Vote		158 651	99 518	83 617	115 202	139 437	139 437	139 437	88 691	80 731	78 691
Capital Expenditure - Functional											
Governance and administration		9 862	4 415	6 057	4 876	4 960	4 960	4 960	5 318	5 599	5 896
Executive and council		-	-	452	-	-	-	-	-	-	-
Finance and administration		9 862	4 415	5 605	4 876	4 960	4 960	4 960	5 318	5 599	5 896
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	800	1 085	1 085	1 085	3 732	3 929	4 138
Community and social services		-	-	-	-	-	-	-	3 732	3 929	4 138
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	800	1 085	1 085	1 085	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		111 554	70 196	48 906	68 513	91 148	91 148	91 148	49 011	50 127	49 457
Planning and development		-	-	-	36 377	39 017	39 017	39 017	440	483	488
Road transport		111 554	70 196	48 906	32 036	52 101	52 101	52 101	48 571	49 664	48 963
Environmental protection		-	-	-	100	30	30	30	-	-	-
Trading services		37 238	24 907	28 653	41 013	42 244	42 244	42 244	30 630	21 076	19 200
Energy sources		34 225	24 907	28 653	40 281	41 779	41 779	41 779	30 630	21 076	19 200
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		3 010	-	-	732	465	465	465	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	158 651	99 518	83 617	115 202	139 437	139 437	139 437	88 691	80 731	78 691
Funded by:											
National Government		67 644	54 540	43 423	76 719	76 739	76 739	76 739	70 075	67 644	67 630
Provincial Government		-	-	-	21 681	21 681	21 681	21 681	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	67 644	54 540	43 423	98 400	98 420	98 420	98 420	70 075	67 644	67 630
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	8 983	17 067	28 653	-	-	-	-	-	-	-
Internally generated funds		82 024	27 911	11 540	16 802	41 017	41 017	41 017	18 615	13 088	11 061
Total Capital Funding	7	158 651	99 518	83 617	115 202	139 437	139 437	139 437	88 691	80 731	78 691

Explanatory adopts to Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

The table above shows capital expenditure by vote and functional classification as well as funding for the expenditure forecasted.

This shows how the municipality's capital budget funding is highly dependent on grant funding. There is also a portion on the funding of electricity infrastructure that will be going to the repayment of the front loading arrangement that was made for the year under implementation. This reduces the amount available for capital budget funding.

Table 18 MBRR Table A6 - Budgeted Financial Position

EC443 Mbizana - Table A6 Budgeted Financial Position

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS												
Current assets												
Cash			2 269	4 708	1 623	2 241	2 241	2 241	2 241	1 947	1 850	1 665
Call investment deposits	1		83 566	92 199	65 403	61 284	39 285	39 285	39 285	45 178	49 695	54 665
Consumer debtors	1		3 606	24 591	31 180	15 214	15 214	15 214	15 214	28 062	25 255	22 730
Other debtors			29 230	18 779	23 425	11 141	11 141	11 141	11 141	29 281	36 602	45 752
Current portion of long-term receivables			1 593	1 406	1 184	1 237	1 237	1 237	1 237	994	835	702
Inventory	2		867	579	472	326	326	326	326	387	318	260
Total current assets			121 131	142 261	123 287	91 444	69 445	69 445	69 445	105 850	114 555	125 774
Non current assets												
Long-term receivables			-	-	-	-	-	-	-	-	-	-
Investments			-	-	-	-	-	-	-	-	-	-
Investment property			6 356	5 662	5 794	6 957	6 957	6 957	6 957	7 165	7 380	7 602
Investment in Associate			-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3		598 499	574 812	608 116	678 900	703 134	703 134	703 134	743 376	773 042	797 859
Agricultural			-	-	-	-	-	-	-	-	-	-
Biological			-	-	-	-	-	-	-	-	-	-
Intangible			2 596	2 081	1 469	1 771	1 771	1 771	1 771	1 852	1 937	2 025
Other non-current assets			-	-	1 231	-	-	-	-	-	-	-
Total non current assets			607 451	582 555	616 609	687 627	711 862	711 862	711 862	752 394	782 360	807 486
TOTAL ASSETS			728 582	724 816	739 896	779 072	781 307	781 307	781 307	858 243	896 915	933 260
LIABILITIES												
Current liabilities												
Bank overdraft	1		-	-	-	-	-	-	-	-	-	-
Borrowing	4		8 983	23 850	16 274	-	-	-	-	-	-	-
Consumer deposits			434	441	459	263	263	263	263	463	468	473
Trade and other payables	4		52 727	44 461	38 442	19 332	19 332	19 332	19 332	33 060	28 432	24 451
Provisions			2 050	1 125	2 406	1 237	1 237	1 237	1 237	2 526	2 652	2 785
Total current liabilities			64 194	69 876	57 580	20 832	20 832	20 832	20 832	36 049	31 552	27 709
Non current liabilities												
Borrowing			-	16 550	-	-	-	-	-	-	-	-
Provisions			4 301	3 775	3 585	6 766	6 766	6 766	6 766	3 227	3 066	2 912
Total non current liabilities			4 301	20 325	3 585	6 766	6 766	6 766	6 766	3 227	3 066	2 912
TOTAL LIABILITIES			68 494	90 200	61 166	27 598	27 598	27 598	27 598	39 276	34 617	30 621
NET ASSETS			5	660 088	634 615	678 731	751 474	753 709	753 709	818 967	862 298	902 639
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)			660 088	634 615	678 731	690 189	714 424	714 424	714 424	773 790	812 602	847 974
Reserves	4		-	-	-	61 284	39 285	39 285	39 285	45 178	49 695	54 665
TOTAL COMMUNITY WEALTH/EQUITY			5	660 088	634 615	678 731	751 474	753 709	753 709	818 967	862 298	902 639

Explanatory adopts to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC443 Mbizana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and Investments available											
Cash/cash equivalents at the year end	1	85 835	96 914	67 026	63 525	41 526	41 526	41 526	47 125	51 545	56 330
Other current investments > 90 days		(0)	(7)	-	(0)	-	-	-	(0)	(0)	-
Non current assets - investments	1	-	-	-	-	-	-	-	-	-	-
Cash and Investments available:		85 835	96 907	67 026	63 525	41 526	41 526	41 526	47 125	51 545	56 330
Application of cash and investments											
Unspent conditional transfers		5 064	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	25 421	14 162	(2 807)	(4 423)	(3 752)	(3 752)	(3 752)	(20 956)	(29 859)	(40 106)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		30 485	14 162	(2 807)	(4 423)	(3 752)	(3 752)	(3 752)	(20 956)	(29 859)	(40 106)
Surplus(shortfall)		55 350	82 745	69 833	67 949	45 278	45 278	45 278	68 081	81 405	96 436

Explanatory adopts to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

The above table shows how the municipality's funding will be applied and the targets set for cash backed reserves over the medium. This is informed by anticipated year end targets as well as the plans to be implemented over the medium-term, especially on the revenue management, debt collection as well as expenditure management.

Table 19 MBRR Table A7 – Budgeted Cash Flows

EC443 Mbizana - Table A7 Budgeted Cash Flows

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			5 499	5 157	9 702	18 991	18 991	18 991	18 991	23 571	24 843	26 210
Service charges			16 776	21 842	29 904	31 272	30 892	30 892	30 892	33 441	35 710	38 132
Other revenue			4 762	5 548	5 056	5 363	7 097	7 097	7 097	8 018	8 451	8 916
Government - operating	1		153 625	185 410	181 492	204 939	202 380	202 380	202 380	237 894	259 404	280 177
Government - capital	1		67 644	71 883	72 645	113 800	116 859	116 859	116 859	70 075	67 644	67 630
Interest			8 588	8 443	10 554	7 934	11 300	11 300	11 300	11 948	12 593	13 285
Dividends			-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees			(148 082)	(215 082)	(224 860)	(240 719)	(254 427)	(254 427)	(254 427)	(220 499)	(231 484)	(244 850)
Finance charges			(456)	(547)	(2 168)	(1 575)	(1 575)	(1 575)	(1 575)	(1 658)	(1 748)	(1 844)
Transfers and Grants	1		-	(3 455)	(4 491)	(11 209)	(2 380)	(2 380)	(2 380)	(68 500)	(90 262)	(104 181)
NET CASH FROM/(USED) OPERATING ACTIVITIES			108 357	79 197	77 835	128 794	129 136	129 136	129 136	94 290	85 152	83 475
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			978	110	20	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors			-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables			-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments			-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets			(158 635)	(99 645)	(83 617)	(115 202)	(139 237)	(139 237)	(139 237)	(88 691)	(80 731)	(78 691)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(157 657)	(99 535)	(83 597)	(115 202)	(139 237)	(139 237)	(139 237)	(88 691)	(80 731)	(78 691)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			8 983	23 850	-	-	-	-	-	-	-	-
Borrowing long term/refinancing			-	24 526	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits			-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of borrowing			-	(16 959)	(24 126)	(15 399)	(15 399)	(15 399)	(15 399)	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES			8 983	31 417	(24 126)	(15 399)	(15 399)	(15 399)	(15 399)	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD												
Cash/cash equivalents at the year begin:	2		(40 317)	11 079	(29 888)	(1 808)	(25 500)	(25 500)	(25 500)	5 599	4 420	4 785
Cash/cash equivalents at the year end:	2		126 152	85 835	96 914	65 333	67 026	67 026	67 026	41 526	47 125	51 545
			85 835	96 914	67 026	63 525	41 526	41 526	41 526	47 125	51 545	56 330

Table 20 MBRR Table A10 – Basic Service Delivery Measurement

EC443 Mbizana - Table A10 Basic service delivery measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
Water:										
Piped water inside dwelling		..	..	..	..	..	..	..	..	..
Piped water inside yard (but not in dwelling)		..	..	..	..	..	..	..	..	..
Using public tap (at least min service level)	2	..	..	..	..	..	..	..	..	..
Other water supply (at least min service level)	4	..	..	..	..	..	..	..	..	..
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min service level)	3	..	..	..	..	..	..	..	..	..
Other water supply (< min service level)	4	..	..	..	..	..	..	..	..	..
No water supply		..	..	..	..	..	..	..	..	..
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	..	..	..	..	..	..	..	..	..
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		..	..	..	..	..	..	..	..	..
Flush toilet (with septic tank)		..	..	..	..	..	..	..	..	..
Chemical toilet		..	..	..	..	..	..	..	..	..
Pit toilet (ventilated)		..	..	..	..	..	..	..	..	..
Other toilet provisions (> min service level)		..	..	..	..	..	..	..	..	..
<i>Minimum Service Level and Above sub-total</i>										
Bucket toilet		..	..	..	..	..	..	..	..	..
Other toilet provisions (< min service level)		..	..	..	..	..	..	..	..	..
No toilet provisions		..	..	..	..	..	..	..	..	..
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	..	..	..	..	..	..	..	..	..
Energy:										
Electricity (at least min service level)		200	200	..	287	287	287	287	287	287
Electricity - prepaid (min service level)		22 346	22 346	..	22 346	22 346	22 346	22 346	22 346	22 346
<i>Minimum Service Level and Above sub-total</i>		22 546	22 546	..	22 633	22 633	22 633	22 633	22 633	22 633
Electricity (< min service level)		..	..	..	..	..	..	..	..	..
Electricity - prepaid (< min service level)		..	..	..	..	..	..	..	..	..
Other energy sources		6 000	6 000	..	6 000	6 000	6 000	6 000	6 000	6 000
<i>Below Minimum Service Level sub-total</i>		6 000	6 000	..	6 000	6 000	6 000	6 000	6 000	6 000
Total number of households	5	28 546	28 546	..	28 633	28 633	28 633	28 633	28 633	28 633
Refuse:										
Removed at least once a week		800	800	..	800	800	800	800	800	800
<i>Minimum Service Level and Above sub-total</i>		800	800	..	800	800	800	800	800	800
Removed less frequently than once a week		157	157	..	157	157	157	157	157	157
Using communal refuse dump		250	250	..	250	250	250	250	250	250
Using own refuse dump		..	..	..	..	..	..	..	..	..
Other rubbish disposal		3	3	..	3	3	3	3	3	3
No rubbish disposal		47 480	47 480	..	47 480	47 480	47 480	47 480	47 480	47 480
<i>Below Minimum Service Level sub-total</i>		47 890	47 890	..	47 890	47 890	47 890	47 890	47 890	47 890
Total number of households	5	48 690	48 690	..	48 690	48 690	48 690	48 690	48 690	48 690
Households receiving Free Basic Service	7									
Water (6 kilolitre per household per month)		..	..	..	..	..	..	..	..	..
Sanitation (free minimum level service)		..	..	..	..	..	..	..	..	..
Electricity/other energy (50kwh per household per month)		..	..	..	287	287	287	287	287	287
Refuse (removed at least once a week)		..	..	..	..	..	..	..	..	..
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitre per indigent household per month)		..	..	..	..	..	..	..	..	..
Sanitation (free sanitation service to indigent households)		..	..	..	..	..	..	..	..	..
Electricity/other energy (50kwh per indigent household per month)		..	..	..	150	150	150	150	150	150
Refuse (removed once a week for indigent households)		..	..	..	..	..	..	..	..	..
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		..	..	..	150	150	150	150	150	150
Highest level of free service provided per household										
Property rates (R value threshold)		..	..	..	..	..	..	..	..	..
Water (kilolitre per household per month)		..	..	..	..	..	..	..	..	..
Sanitation (kilolitre per household per month)		..	..	..	..	..	..	..	..	..
Sanitation (Rand per household per month)		..	..	..	..	..	..	..	..	..
Electricity (kwh per household per month)		..	..	..	..	..	..	..	..	..
Refuse (average litres per week)		..	..	..	..	..	..	..	..	..
Revenue - cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		..	..	..	..	..	..	..	..	..
Property rates - exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		..	..	..	..	..	..	..	..	..
Water (in excess of 6 kilolitre per indigent household per month)		..	..	..	..	..	..	..	..	..
Sanitation (in excess of free sanitation service to indigent households)		..	..	..	..	..	..	..	..	..
Electricity/other energy (in excess of 50 kwh per indigent household per month)		..	..	..	..	..	..	..	..	..
Refuse (in excess of one removal a week for indigent households)		..	..	..	..	..	..	..	..	..
Municipal Housing - rental rebates		..	..	..	..	..	..	..	..	..
Housing - top structure subsidies		..	..	..	..	..	..	..	..	..
Other		..	..	..	..	..	..	..	..	..
Total revenue cost of subsidised services provided	5	..	..	..	..	..	..	..	..	..

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

A budget and IDP process plan was tabled to the municipal council 10 months before the start of the 2018/19 financial year as required by the Municipal Finance Management Act. The process plan sets out a road map with timeframes and tasks clearly set with responsible officials or institutions. The process plan in part of the IDP document and efforts have been made to ensure that these timelines are adhered to the latter. The process involves the consultation with the communities which was done during November and December 2017. These consultations inform the inputs into the IDP and the Budget.

A draft budget will be tabled to council before 31 March 2018. Inputs will then be sought from all stakeholders within the communities and therefore community consultations will be carried out in April and May 2018. The final budget adoption will have to take into consideration these inputs.

Other inputs were received from the Provincial Treasury after having received the draft, and an engagement between the Provincial Treasury and the Municipality took place. A review document was produced by the Provincial Treasury and concerns raised in this document and the engagement have been, as far as possible, taken into consideration in the final compilation.

2.2 Overview of budget related-policies

The budget preparation process cannot be separated from the review of related policies that enable the implementation of the budget. The following is a brief look at the budget related policies and where applicable, changes that have been proposed during the budget review:-

2.2.1 Review of credit control and debt collection policy

- It is vital to the long term financial viability of the Mbizana Local Municipality that it collects the revenues (such as service charges, rates and taxes) due to it for services rendered. In terms of s96 of the Systems Act, a municipality:
- must collect all money that is due and payable to it subject to this Act and any other applicable legislation; and
- For this purpose, must adopt, maintain and implement a credit control and debt collection policy, which is consistent with rates and tariff policies and complies with the provisions of this Act. This means that appropriate credit control and debtors mechanisms must be maintained. The services provided by the Mbizana Local Municipality include electricity, refuse removal and other municipal services.

2.2.2 Supply Chain Management Policy

The SCM policy aims to ensure that Mbizana Local Municipality procures goods and services in a manner that is efficient, timely and cost-effective, ensures customer satisfaction, pursues socio-economic objectives through a preference system and demonstrates compliance with the constitution and all relevant legislation.

A few changes have been proposed to the SCM Policy and these have been necessitated mainly by changes introduced by the National Treasury as well as the South African Revenue Services.

Central Supplier Database: The National Treasury has introduced a requirement that all service provider purporting to do business with government institutions must be registered in a

central database maintained by the National Treasury. Important information that relates to the registration of all companies and compliance with various requirements of various institutions is monitored through this database. Our policy should therefore make reference to this.

SARS Pin: The SARS has in the past made use of the tax clearance certificate, valid for a year, to confirm the good standing of companies that do business with the municipality. All companies have now been issued with a SARS pin which enables organs of state to directly enquire on the status of the companies at any given time. This has made the submission of the tax certificate not compulsory, but that of the SARS Pin. This development must again be reflected in the SCM policy of the municipality.

Preferential Procurement Regulations, 2017: The Minister of Finance, in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000, made the regulations set out in the schedule, and issued in terms of a government gazette in January 2017. The Preferential Procurement Regulations 2017 therefore set out a number of regulations that must be implemented by all organs of the state from April 01, 2017. Some of the regulations set out affect the municipality's Supply Chain Management policy, and as such the policy must be amended to give effect to those.

The following are some of the major changes that the regulations present:-

- **Pre-qualification criteria for preferential procurement:** Where an organ of state decides to apply pre-qualification criteria to advance certain designated groups, an organ of state must advertise the tender with specific tendering condition that one or more of the type of tenderers may respond. These include amongst others:-
 - A tenderer having a stipulated minimum B-BBEE status level of contributor;
 - An EME (exempt micro enterprise) or QSE (qualifying small business);
 - A tenderer subcontracting a minimum of 30% to:-
 - An EME or QSE which is at least 51% owned by black people;
 - An EME or QSE which is at least 51% owned by black people who are youth;
 - An EME or QSE which is at least 51% owned by black people who are women; and a number of other criteria as stated in the regulations.
- **80/20 preference point system for acquisition of goods or services for Rand value equal to or above R30 000 and up to R50 million:** This point scoring system is now applicable to all procurement from R30 000 to R50 million where as it before only up to R1 million.
- **90/10 preference point system for acquisition of goods or services for Rand value above R50 million:** The point scoring system that used to be applicable from the Rand value of R1 million is now only applicable from a Rand value of more than R50 million.
- **Subcontracting after award of tender:** The regulations make specific considerations relating to subcontracting after the award and the following points are important:
 - A person awarded a contract may only enter into a subcontracting arrangement with the approval of the state;
 - A person awarded a contract may not subcontract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

2.2.3 Budget Policy

The objective of the budget policy is to set out:

- The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget,
- The responsibilities of the mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget, and
- To establish and maintain procedures to ensure adherence to Mbizana's IDP review and budget processes.

This policy also needs to see a number of changes which are necessitated by the introduction of mSCOA. The various segments introduced with mSCOA have meant that the levels of authority cannot be left unchanged as some transfers and virements require a higher level of authorization, up to a level where council must take a decision.

2.2.4 Cash Management and Investment Policy

An Accounting Officer has an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible. Effective cash management and competitive investment ensures both short-term and long-term viability and sustainability of the municipality. Hence, it is critical for the Mbizana Local Municipality to have its own Cash Management and Investment Policy located within the local government legislative framework.

The primary and ultimate goal of the investment of funds is to secure the safety, integrity and wholeness of the invested capital, managing liquidity requirements and ensuring the earning of the highest possible return on invested capital at minimum risk (i.e. whilst not risking the partial or total loss of invested capital), within the parameters of authorised instruments as per the MFMA.

2.2.5 Tariff Policies

In terms of section 62 (1) of the Local Government: Municipal Finance Management Act (MFMA), Act no 56 of 2003, the Accounting Officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that, inter alia, the municipality has and implements a tariff policy referred to in section 74 of the Local Government: Municipal Systems Act (MSA), Act no 32 of 2000 as amended.

In terms of section 74 of the Municipal Systems Act the municipal council hereby adopts a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.

2.2.6 Property rates policy

This policy guides the annual setting (or revision) of property rates tariffs. It does not necessarily make specific property rates tariff proposals. Details pertaining to the applications of the various property rates tariffs are annually published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

In imposing the rate in the rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.

2.2.7 Asset management policy

The objective of this Asset Management Policy is to ensure that the municipality:

- has consistent application of asset management principles;
- implements accrual accounting;
- complies with the MFMA and other related legislation;
- correctly accounts for Assets under the GRAP accounting framework;
- safeguards and controls the assets of the municipality; and
- Optimizes asset usage.

During the review it was identified that the Asset Management committee did not include the councilors responsible for asset management and this was the proposed change to the policy.

2.2.8 SCM Policy for Infrastructure Procurement and Delivery Management

The National Treasury issued a circular in October 2015 in relation to the introduction of this policy. The intention of the circular was to a policy that would enable a municipality to separate the supply chain management requirements for general goods and services from those for infrastructure delivery. The infrastructure delivery encompasses a whole range of competencies including planning, technical, administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.

The circular has two attachments or annexures to it, which are,

- Model SCM Policy for Infrastructure Procurement and Delivery Management; and
- National Treasury Standard for Infrastructure Procurement and Delivery Management (SIPDM)

The model SCM Policy is intended to give a guide to the municipality as to what the contents of the policy should be, while the Standard for Infrastructure provides standards that must be complied with in the implementation of the policy.

Council must then consider the model policy, make its own inputs and approve it for implementation from July 01, 2018.

The policy is structured in the following way:-

General Requirements

- Delegations
- Implementation of SIPDM
- Supervision of the Infrastructure delivery management unit – BTO and ES
- Objections and Complaints
- Resolution of Disputes

Control Framework

- Gateway reviews
- General
- Stages and End-of-Stages deliverables

Infrastructure Delivery Management

- Institutional arrangements
- Acquisition management
- Reporting

Infrastructure Procurement

- Procurement Documents
- Developmental procurement policy
- Payment of creditors
- Approval to utilize specific procurement procedures
- Receipt and safeguarding of submissions
- Opening of submission

Table 2		
Stage		End-of-Stage deliverables
No.	Name	
0	Project Initiation	An initiation report which outlines the high-level business case together with the estimated project cost and proposed schedule for a single project or a group of projects having a similar high-level scope
1	Infrastructure Planning	An infrastructure plan which identifies and prioritizes projects and packages against a forecasted budget over a period of at least five years
2	Strategic Resourcing	A delivery and/or procurement strategy which, for a portfolio of projects, identifies the delivery strategy in respect of each project or package and, where

			needs are met through own procurement system, a procurement strategy
3	Pre-feasibility		A prefeasibility report which determines whether or not it is worthwhile to proceed to the feasibility stage
	Preparation and brief		A strategic brief which defines project objectives, needs, acceptance criteria and client priorities and aspirations, and which sets out the basis for the development of the concept report for one or more packages
4	Feasibility		A feasibility report which presents sufficient information to determine whether or not the project should be implemented
	Concept and viability		A concept report which establishes the detailed brief, scope, scale, form and control budget, and sets out the integrated concept for one or more packages
5	Design Development		A design development report which develops in detail the approved concept to finalize the design and definition criteria, sets out the integrated developed design, and contains the cost plan and schedule for one or more packages
6	Design Documentation	6A Production information	Production information which provides the detailing, performance definition, specification, sizing and positioning of all systems and components enabling either construction (where the constructor is able to build directly from the information prepared) or the production of manufacturing and installation information for construction
		6B Manufacture, fabrication and construction information	Manufacture, fabrication and construction information produced by or on behalf of the constructor, based on the production information provided for a

		package which enables manufacture, fabrication or construction to take place
7	Works	Completed works which are capable of being occupied or used
8	Handover	Works which have been taken over by the user or owner complete with record information
9	Package Completion	Works with notified defects corrected, final account settled and the close out report issued

2.3 Overview of budget assumptions

The budget compilation has been driven by a few assumptions based on the information available to the municipality. As indicated in the earlier paragraphs, the MFMA Treasury Budget Circulars have been used as a basis for the assumptions made. The inflationary outlook as per the circulars is as follows:

Fiscal year	2017/18 Estimate	2018/19	2019/20 Forecast	2020/21 Forecast
Consumer Price Inflation – CPI	5,3%	5,3%	5,4%	5,5%

The National Energy Regulator of South Africa has indicated a proposed increase at about 6,84% for Municipalities and it doesn't seem likely that any different would be approved for the municipalities. This assumption was therefore applied in the adjustment of tariffs.

The employee related costs increments are still being negotiated and 2018/19 will see the first year of the implementation of that agreement. The budgetary provision of the 2018/19 financial year should then be provided for as follows:-

- 2018/19 Fin Year – average CPI + 1%

2.4 Councilor and employee benefits

Table 21 MBRR SA22 - Summary of councilor and staff benefits

EC443 Mbizana - Supporting Table SA22 Summary councilor and staff benefits

Summary of Employee and Councilor remuneration	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		11,157	11,957	12,101	14,046	13,410		12,237	12,848	13,491
Pension and UIF Contributions						-				
Medical Aid Contributions						-				
Motor Vehicle Allowance		3,448	3,839	4,273	6,424	4,565		4,888	5,132	5,389
Cellphone Allowance		899	1,323	1,329	1,426	1,346		1,445	1,517	1,593
Housing Allowances						-				
Other benefits and allowances		834	767	1,253	1,289	913		2,933	3,079	3,233
Sub Total - Councillors		16,338	17,895	18,956	23,186	20,234	-	21,502	22,577	23,706
% increase	4		9.5%	5.9%	22.3%	(12.7%)	(100.0%)	-	5.0%	5.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3,392	4,248	4,371	4,262	4,262		4,577	4,916	5,280
Pension and UIF Contributions						-				
Medical Aid Contributions						-				
Overtime						-				
Performance Bonus						-				
Motor Vehicle Allowance	3	528		1,259						
Cellphone Allowance	3				190	190		204	219	235
Housing Allowances	3					-				
Other benefits and allowances	3		2,184	892	2,184	2,184		2,345	2,519	2,705
Payments in lieu of leave						-				
Long service awards						-				
Post-retirement benefit obligations	6					-				
Sub Total - Senior Managers of Municipality		3,921	6,432	6,522	6,635	6,635	-	7,126	7,654	8,220
% increase	4		64.0%	1.4%	1.7%	-	(100.0%)	-	7.4%	7.4%
Other Municipal Staff										
Basic Salaries and Wages		34,452	33,640	46,585	52,108	53,625		67,417	68,889	72,215
Pension and UIF Contributions		2,712	3,402	4,462	6,032	4,972		6,295	6,609	6,940
Medical Aid Contributions		1,366	2,572	3,252	3,858	3,305		4,751	4,989	5,238
Overtime		455	388	411	761	1,115		1,171	1,229	1,291
Performance Bonus						-				
Motor Vehicle Allowance	3	2,208	4,407	4,872	7,534	5,640		8,301	8,716	9,151
Cellphone Allowance	3	410	530	620	630	244		432	449	466
Housing Allowances	3	1,564	2,132	2,435	3,131	2,774		3,645	3,827	4,018
Other benefits and allowances	3	4,203	6,131	2,631	7,154	6,476		8,305	8,664	9,037
Payments in lieu of leave						-				
Long service awards						-				
Post-retirement benefit obligations	6					-				
Sub Total - Other Municipal Staff		47,369	53,202	65,268	81,208	78,151	-	100,315	103,371	108,356
% increase	4		12.3%	22.7%	24.4%	(3.8%)	(100.0%)	-	3.0%	4.8%
Total Parent Municipality		67,628	77,529	90,746	111,029	105,019	-	128,944	133,602	140,282

EC443 Mbizana - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

[illegible]

2.5 Expenditure on grants and reconciliations of unspent funds

Table 22 MBRR SA19 – Expenditure on transfers and grant programmes

EC443 Mbizana - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		173 161	209 159	204 212	235 530	235 530	235 530	260 105	278 295	296 415
Local Government Equitable Share		145 251	181 314	175 910	197 681	197 681	197 681	230 525	254 380	275 000
Finance Management		1 606	1 268	2 218	2 145	2 145	2 145	2 215	2 215	2 215
Municipal Systems Improvement		890	579	–	–	–	–	–	–	–
EPWP Incentive		1 021	1 000	1 084	1 704	1 704	1 704	2 335	–	–
Integrated National Electrification Programme		24 393	24 998	25 000	34 000	34 000	34 000	25 030	21 700	19 200
LED Assistance Grant										
Provincial Government:		564	240	548	–	–	–	448	391	413
Sport and Recreation		–	240	263	–	–	–	448	391	413
				167						
LED Assistance Grant		564		118	–	–	–	–	–	–
District Municipality:		–	–	400	–	–	–	–	–	–
Integrated Development Planning				100	–	–	–	–	–	–
				300						
Other grant providers:		–	–	100	–	–	–	–	–	–
GIS Shared Services				100	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants		173 725	209 399	205 260	235 530	235 530	235 530	260 553	278 686	296 828
Capital expenditure of Transfers and Grants										
National Government:		45 424	46 783	46 159	61 178	61 178	61 178	47 416	48 362	50 979
Municipal Infrastructure Grant (MIG)		45 424	46 783	46 159	61 178	61 178	61 178	47 416	48 362	50 979
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	21 681	21 681	21 681	–	–	–
Electrification Assistance		–	–	–	21 681	21 681	21 681	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Integrated Development Planning										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total capital expenditure of Transfers and Grants		45 424	46 783	46 159	82 859	82 859	82 859	47 416	48 362	50 979
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		219 149	256 182	251 419	318 389	318 389	318 389	307 969	327 048	347 807

Table 23 MBRR SA20 – Reconciliation of transfers, grant receipts and unspent funds

EC443 Mbizana - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		735	45	-	-	-	-	-	-	-
Current year receipts		148 785	184 919	-	235 530	235 530	235 530	260 105	278 295	296 415
Conditions met - transferred to revenue		149 474	184 161	-	235 530	235 530	235 530	260 105	278 295	296 415
Conditions still to be met - transferred to liabilities		45	803	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		1 632	4 860	-	-	-	-	-	-	-
Current year receipts		3 540	250	-	350	350	350	448	391	413
Conditions met - transferred to revenue		312	3 319	-	350	350	350	448	391	413
Conditions still to be met - transferred to liabilities		4 860	1 791	-	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		7	157	-	-	100	100	-	-	-
Current year receipts		150	200	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	100	100	-	-	-
Conditions still to be met - transferred to liabilities		157	357	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue		149 787	187 480	-	235 880	235 980	235 980	260 553	278 686	296 828
Total operating transfers and grants - CTBM	2	5 062	2 951	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		420	2	-	-	-	-	-	-	-
Current year receipts		69 392	71 783	-	61 178	61 178	61 178	47 416	48 362	50 979
Conditions met - transferred to revenue		69 811	71 781	-	61 178	61 178	61 178	47 416	48 362	50 979
Conditions still to be met - transferred to liabilities		2	4	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	21 681	22 181	22 181	-	-	-
Current year receipts		-	-	-	21 681	22 181	22 181	-	-	-
Conditions met - transferred to revenue		-	-	-	21 681	22 181	22 181	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue		69 811	71 781	-	82 859	83 359	83 359	47 416	48 362	50 979
Total capital transfers and grants - CTBM	2	2	4	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		219 597	259 261	-	318 739	319 339	319 339	307 969	327 048	347 807
TOTAL TRANSFERS AND GRANTS - CTBM		5 064	2 955	-	-	-	-	-	-	-

Table 24 MBRR SA24 – Summary of personnel numbers

EC443 Mbizana - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2016/17			Current Year 2017/18			Budget Year 2018/19		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		61	4	57	61	4	57	61	4	57
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6		6	7		6	7		6
Other Managers	7	16	3	13	16	3	13	16	3	13
Professionals		-	-	-	-	-	-	-	-	-
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Technicians		53	50	2	53	50	2	53	50	2
Finance		11	10	-	11	10	-	11	10	-
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse		42	40	2	42	40	2	42	40	2
Other										
Clerks (Clerical and administrative)		97	67	31	97	67	31	97	67	31
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		4		4	4		4	4		4
Elementary Occupations		63	83		63	83		63	83	
TOTAL PERSONNEL NUMBERS	9	320	207	113	321	207	113	321	207	113

EC443 Mbizana - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		11 967	12 101	12 761	12 237	13 157	13 157	13 841	14 588	15 391
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		3 839	4 273	4 431	4 888	4 888	4 888	5 142	5 420	5 718
Cellphone Allowance		1 323	1 329	1 585	1 445	1 445	1 445	1 520	1 602	1 691
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		767	1 253	872	2 933	2 933	2 933	3 085	3 252	3 431
Sub Total - Councillors		17 895	18 956	19 649	21 502	22 422	22 422	23 588	24 862	26 230
% increase	4		5,9%	3,7%	9,4%	4,3%	-	5,2%	5,4%	5,5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		4 248	4 371	4 657	4 577	4 577	4 577	4 422	4 660	4 912
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	1 259	1 339	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	204	204	204	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	2 184	892	947	2 345	2 345	2 345	2 695	2 840	2 994
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6 432	6 522	6 943	7 126	7 126	7 126	7 117	7 501	7 906
% increase	4		1,4%	6,5%	2,6%	-	-	(0,1%)	5,4%	5,4%
Other Municipal Staff										
Basic Salaries and Wages		33 640	46 585	53 504	67 417	62 494	62 494	66 431	70 018	73 799
Pension and UIF Contributions		3 402	4 462	5 142	6 295	6 295	6 295	6 691	7 052	7 433
Medical Aid Contributions		2 572	3 252	3 749	4 751	4 751	4 751	5 051	5 323	5 611
Overtime		388	411	91	1 171	1 171	1 171	1 244	1 311	1 382
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	4 407	4 872	5 506	8 301	8 301	8 301	8 824	9 300	9 802
Cellphone Allowance	3	530	620	506	432	432	432	459	484	510
Housing Allowances	3	2 132	2 435	2 895	3 645	3 645	3 645	3 874	4 084	4 304
Other benefits and allowances	3	6 131	2 631	5 909	8 305	8 305	8 305	7 603	7 700	8 228
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		53 202	65 268	77 302	100 315	95 393	95 393	100 177	105 273	111 070
% increase	4		22,7%	18,4%	29,8%	(4,9%)	-	5,0%	5,1%	5,5%
Total Parent Municipality		77 529	90 746	103 894	128 944	124 941	124 941	130 882	137 636	145 206
			17,0%	14,5%	24,1%	(3,1%)	-	4,8%	5,2%	5,5%

2.6 Monthly targets for revenue, expenditure and cash flow

EC443 Mbizana - Supporting Table SA30 Budgeted monthly cash flow

R thousand	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Receipts By Source															
Property rates	3 785	4 010	1 010	810	1 110	790	2 010	130	2 010	2 350	3 010	2 550	23 571	24 843	26 210
Service charges - electricity revenue	3 208	1 604	2 566	3 649	3 143	1 860	5 774	2 245	1 860	3 680	1 604	674	32 078	34 270	36 613
Service charges - water revenue															
Service charges - sanitation revenue															
Service charges - refuse revenue															
Service charges - other	136	68	109	184	134	78	245	95	79	157	66	29	1 364	1 439	1 518
Rental of facilities and equipment	0	0	0	0	0	0	0	0	0	0	0	0	1	1	2
Interest earned - external investments	90	45	72	108	89	52	183	56	52	104	45	19	903	952	1 005
Interest earned - outstanding debtors	764	397	635	835	778	481	1 430	556	481	913	367	167	7 942	8 371	8 831
Dividends received	401	200	320	481	393	232	721	280	232	481	200	84	4 006	4 222	4 454
Fines, penalties and forfeits	203	102	162	244	199	118	366	142	118	234	102	43	2 031	2 140	2 258
Licences and permits	229	115	184	275	225	133	413	161	133	264	115	48	2 294	2 418	2 551
Agency services	123	82	99	148	121	72	222	86	72	142	62	26	1 233	1 300	1 371
Transfer receipts - operational	97 158					71 368			69 368				237 894	259 404	280 177
Other revenue	155	78	125	187	153	90	280	109	90	179	78	33	1 557	1 641	1 731
Cash Receipts by Source	106 284	6 880	5 282	7 218	6 343	75 235	11 623	3 868	74 475	8 481	5 880	3 672	314 872	341 001	366 720
Other Cash Flows by Source															
Transfer receipts - capital	28 030					21 023			21 023				79 075	87 644	87 630
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)															
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/retrenching															
Increase (decrease) in consumer deposits															
Decrease (increase) in non-current debtors															
Decrease (increase) other non-current receivables															
Decrease (increase) in non-current investments															
Total Cash Receipts by Source	134 314	6 880	5 282	7 218	6 343	96 258	11 623	3 868	95 498	8 481	5 880	3 672	383 947	408 645	434 350
Cash Payments by Type															
Employee related costs	8 941	8 941	8 941	8 941	8 941	8 941	8 941	8 941	8 941	8 941	8 941	8 941	107 294	112 774	118 976
Remuneration of councillors	1 666	1 666	1 666	1 768	1 768	1 768	1 768	2 566	2 168	2 168	2 266	2 266	23 589	24 862	26 230
Finance charges	138	138	138	138	138	138	138	138	138	138	138	138	1 659	1 748	1 844
Bulk purchases - Electricity	2 800	2 800	2 700	2 600	2 400	2 900	2 300	2 200	2 900	3 200	3 300	3 400	33 594	38 054	38 693
Bulk purchases - Water & Sewer	643	643	643	643	643	643	643	643	643	643	643	643	7 722	8 139	8 566
Other materials	7 025	1 025			5 025	6 025	9 025	8 025	1 025	7 025	4 025	75	48 301	49 656	52 365
Contracted services															
Transfers and grants - other municipalities	180	180	180	180	180	180	180	180	180	180	180	180	2 159	1 784	1 881
Transfers and grants - other	9 419	5 419	9 419	8 519	9 419	4 419	1 449	4 219	3 419	2 419	1 419	8 806	66 342	88 497	102 320
Other expenditure															
Cash Payments by Type	30 812	21 012	23 687	22 787	28 512	25 012	24 442	26 912	19 412	24 712	20 912	22 449	280 857	323 483	350 875
Other Cash Flows/Payments by Type															
Capital assets	9 391	6 391	6 391	5 391	5 391	6 391	7 391	7 391	7 391	7 391	7 391	7 391	88 691	80 731	78 691
Repayment of borrowing															
Other Cash Flows/Payments															
Total Cash Payments by Type	40 203	29 403	30 077	28 177	33 903	34 403	31 833	34 303	26 803	32 103	28 303	29 840	379 348	404 225	429 566
NET INCREASE/(DECREASE) IN CASH HELD	94 111	(22 723)	(24 795)	(20 959)	(27 559)	61 875	(20 210)	(30 439)	68 695	(23 611)	(22 823)	(26 169)	5 590	4 420	4 785
Cash/cash equivalents at the money year begin:	41 520	135 637	112 013	88 113	67 160	39 831	101 476	81 260	50 832	110 527	73 293	47 125	51 536	47 125	51 536
Cash/cash equivalents at the money year end:	135 637	112 914	87 218	67 160	39 401	101 476	81 260	50 832	119 527	86 916	50 470	20 956	57 126	51 545	56 321

Table 25 MBRR SA25 – Budgeted monthly revenue and expenditure

EC443 Mbizana - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																	
Revenue By Source																	
Property rates			1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	23 571	24 843	26 210
Service charges - electricity revenue			2 673	2 673	2 673	2 673	2 673	2 673	2 673	2 673	2 673	2 673	2 673	2 673	32 076	34 270	36 613
Service charges - water revenue			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other			114	114	114	114	114	114	114	114	114	114	114	114	1 364	1 439	1 518
Rental of facilities and equipment			0	0	0	0	0	0	0	0	0	0	0	0	1	1	2
Interest earned - external investments			75	75	75	75	75	75	75	75	75	75	75	75	903	952	1 005
Interest earned - outstanding debtors			662	662	662	662	662	662	662	662	662	662	662	662	7 942	8 371	8 831
Dividends received			334	334	334	334	334	334	334	334	334	334	334	334	4 006	4 222	4 454
Fines, penalties and forfeits			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits			169	169	169	169	169	169	169	169	169	169	169	169	2 031	2 140	2 258
Agency services			191	191	191	191	191	191	191	191	191	191	191	191	2 294	2 418	2 551
Transfers and subsidies			103	103	103	103	103	103	103	103	103	103	103	103	1 233	1 300	1 371
Other revenue			19 824	19 824	19 824	19 824	19 824	19 824	19 824	19 824	19 824	19 824	19 824	19 824	237 894	259 404	280 177
Gains on disposal of PPE			130	130	130	130	130	130	130	130	130	130	130	130	1 557	1 641	1 731
Total Revenue (excluding capital transfers and contributions)			26 239	26 239	26 239	26 239	26 239	26 239	26 239	26 239	26 239	26 239	26 239	26 239	314 872	341 001	368 720
Expenditure By Type																	
Employee related costs			8 941	8 941	8 941	8 941	8 941	8 941	8 941	8 941	8 941	8 941	8 941	8 941	107 294	112 774	118 976
Remuneration of councillors			1 966	1 966	1 966	1 966	1 966	1 966	1 966	1 966	1 966	1 966	1 966	1 966	23 568	24 862	26 230
Debt impairment			175	175	175	175	175	175	175	175	175	175	175	175	2 214	2 336	2 468
Depreciation & asset impairment			4 037	4 037	4 037	4 037	4 037	4 037	4 037	4 037	4 037	4 037	4 037	4 037	48 449	51 065	53 874
Finance charges			138	138	138	138	138	138	138	138	138	138	138	138	1 658	1 748	1 844
Bulk purchases			2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	33 594	36 054	38 693
Other materials			643	643	643	643	643	643	643	643	643	643	643	643	7 722	8 139	8 586
Contracted services			4 025	4 025	4 025	4 025	4 025	4 025	4 025	4 025	4 025	4 025	4 025	4 025	48 301	49 656	52 365
Transfers and subsidies			180	180	180	180	180	180	180	180	180	180	180	180	2 158	2 284	2 410
Other expenditure			5 419	5 419	5 419	5 419	5 419	5 419	5 419	5 419	5 419	5 419	5 419	5 419	65 025	68 243	71 997
Loss on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure			28 324	28 324	28 324	28 324	28 324	28 324	28 324	28 324	28 324	28 324	28 324	28 324	339 890	356 519	376 762
Surplus/(Deficit)			(2 085)	(2 085)	(2 085)	(2 085)	(2 085)	(2 085)	(2 085)	(2 085)	(2 085)	(2 085)	(2 085)	(2 085)	(25 018)	(15 518)	(10 041)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental allocations) (National / Provincial Departmental allocations) (Households, Non-profit Institutions, Agencies, Households, Public Corporations, Higher Educational Institutions)			5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	70 075	67 644	67 630
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	45 057	52 126	57 589
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		1	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	45 057	52 126	57 589

Table 26 MBRR SA26 – Budgeted monthly revenue and expenditure (municipal vote)

EC443 Mbizana - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

EC-443 Mbizana - Supporting table SA20 Budgeted monthly revenue and expenditure (municipal vote)															Budget Year 2018/19						Medium Term Revenue and Expenditure Framework		
Description		Ref													April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21			
R thousand			July	August	Sept	October	November	December	January	February	March												
Revenue by Vote																							
	Vote 1 - EXECUTIVE & COUNCIL		20 623	20 623	20 623	20 623	20 623	20 623	20 623	20 623	20 623	20 623	20 623	20 623	43 122	269 978	295 844	318 623					
	Vote 2 - BUDGET & TREASURY		10	10	10	10	10	10	10	10	10	10	10	10	10	119	125	132					
	Vote 3 - CORPORATE SERVICES		805	805	805	805	805	805	805	805	805	805	805	805	805	9 659	7 640	8 060					
	Vote 4 - COMMUNITY & SOCIAL SERVICES		8 753	8 753	8 753	8 753	8 753	8 753	8 753	8 753	8 753	8 753	8 753	8 753	8 753	105 030	104 867	107 356					
	Vote 5 - ENGINEERING SERVICES		13	13	13	13	13	13	13	13	13	13	13	13	13	161	170	179					
	Vote 6 - DEVELOPMENT PLANNING																						
	Vote 7 - [NAME OF VOTE 7]																						
	Vote 8 - [NAME OF VOTE 8]																						
	Vote 9 - [NAME OF VOTE 9]																						
	Vote 10 - [NAME OF VOTE 10]																						
	Vote 11 - [NAME OF VOTE 11]																						
	Vote 12 - [NAME OF VOTE 12]																						
	Vote 13 - [NAME OF VOTE 13]																						
	Vote 14 - [NAME OF VOTE 14]																						
	Vote 15 - [NAME OF VOTE 15]																						
Total Revenue by Vote			30 204	30 204	30 204	30 204	30 204	30 204	30 204	30 204	30 204	30 204	30 204	30 204	52 702	304 947	408 645	434 350					
Expenditure by Vote to be appropriated																							
	Vote 1 - EXECUTIVE & COUNCIL		6 768	6 768	6 768	6 768	6 768	6 768	6 768	6 768	6 768	6 768	6 768	6 768	6 768	81 218	84 689	89 324					
	Vote 2 - BUDGET & TREASURY		6 079	6 079	6 079	6 079	6 079	6 079	6 079	6 079	6 079	6 079	6 079	6 079	6 079	72 946	76 885	81 114					
	Vote 3 - CORPORATE SERVICES		3 929	3 929	3 929	3 929	3 929	3 929	3 929	3 929	3 929	3 929	3 929	3 929	3 929	47 144	49 664	52 396					
	Vote 4 - COMMUNITY & SOCIAL SERVICES		4 943	4 943	4 943	4 943	4 943	4 943	4 943	4 943	4 943	4 943	4 943	4 943	4 943	59 312	62 392	65 824					
	Vote 5 - ENGINEERING SERVICES		4 863	4 863	4 863	4 863	4 863	4 863	4 863	4 863	4 863	4 863	4 863	4 863	4 863	58 361	62 157	66 232					
	Vote 6 - DEVELOPMENT PLANNING		1 742	1 742	1 742	1 742	1 742	1 742	1 742	1 742	1 742	1 742	1 742	1 742	1 742	20 909	20 731	21 872					
	Vote 7 - [NAME OF VOTE 7]																						
	Vote 8 - [NAME OF VOTE 8]																						
	Vote 9 - [NAME OF VOTE 9]																						
	Vote 10 - [NAME OF VOTE 10]																						
	Vote 11 - [NAME OF VOTE 11]																						
	Vote 12 - [NAME OF VOTE 12]																						
	Vote 13 - [NAME OF VOTE 13]																						
	Vote 14 - [NAME OF VOTE 14]																						
	Vote 15 - [NAME OF VOTE 15]																						
Total Expenditure by Vote			28 324	28 324	28 324	28 324	28 324	28 324	28 324	28 324	28 324	28 324	28 324	28 324	28 324	339 890	356 519	376 762					
Surplus/(Deficit) before assoc.			1 880	1 880	1 880	1 880	1 880	1 880	1 880	1 880	1 880	1 880	1 880	1 880	24 378	45 057	52 126	57 589					
Taxation																							
Attributable to minorities																							
Share of surplus/ (deficit) of associate																							
Surplus/(Deficit)			1	1 880	1 880	1 880	1 880	1 880	1 880	1 880	1 880	1 880	1 880	1 880	24 378	45 057	52 126	57 589					

Table 27 MBRR SA27 – Budgeted monthly revenue and expenditure (standard classification)

EC443 Mbizana - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

R thousand	Ref	Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional			22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	270 097	295 969	318 755
Governance and administration			22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	270 097	295 969	318 755
Executive and council			22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	270 097	295 969	318 755
Finance and administration			22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	22 508	270 097	295 969	318 755
Internal audit			67	67	67	67	67	67	67	67	67	67	67	67	801	763	806
Community and public safety			58	58	58	58	58	58	58	58	58	58	58	58	698	654	691
Community and social services			58	58	58	58	58	58	58	58	58	58	58	58	698	654	691
Sport and recreation			9	9	9	9	9	9	9	9	9	9	9	9	103	109	115
Public safety			9	9	9	9	9	9	9	9	9	9	9	9	103	109	115
Housing			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services			4 402	4 402	4 402	4 402	4 402	4 402	4 402	4 402	4 402	4 402	4 402	4 402	52 827	54 065	56 996
Planning and development			24	24	24	24	24	24	24	24	24	24	24	24	293	309	326
Road transport			4 378	4 378	4 378	4 378	4 378	4 378	4 378	4 378	4 378	4 378	4 378	4 378	52 534	53 756	56 670
Environmental protection			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services			5 102	5 102	5 102	5 102	5 102	5 102	5 102	5 102	5 102	5 102	5 102	5 102	61 222	57 848	57 794
Energy sources			4 790	4 790	4 790	4 790	4 790	4 790	4 790	4 790	4 790	4 790	4 790	4 790	57 482	56 366	56 231
Water management			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management			312	312	312	312	312	312	312	312	312	312	312	312	3 740	1 482	1 564
Other			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue - Functional			32 078	32 078	32 078	32 078	32 078	32 078	32 078	32 078	32 078	32 078	32 078	32 078	384 947	408 845	434 350
Expenditure - Functional			17 412	17 412	17 412	17 412	17 412	17 412	17 412	17 412	17 412	17 412	17 412	17 412	208 948	219 290	231 329
Governance and administration			5 649	5 649	5 649	5 649	5 649	5 649	5 649	5 649	5 649	5 649	5 649	5 649	67 782	70 527	74 384
Executive and council			5 649	5 649	5 649	5 649	5 649	5 649	5 649	5 649	5 649	5 649	5 649	5 649	67 782	70 527	74 384
Finance and administration			11 764	11 764	11 764	11 764	11 764	11 764	11 764	11 764	11 764	11 764	11 764	11 764	141 166	148 763	156 945
Internal audit			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public safety			1 733	1 733	1 733	1 733	1 733	1 733	1 733	1 733	1 733	1 733	1 733	1 733	20 795	21 235	22 403
Community and social services			1 485	1 485	1 485	1 485	1 485	1 485	1 485	1 485	1 485	1 485	1 485	1 485	17 823	18 181	19 181
Sport and recreation			61	61	61	61	61	61	61	61	61	61	61	61	732	693	731
Public safety			91	91	91	91	91	91	91	91	91	91	91	91	1 091	1 149	1 213
Housing			96	96	96	96	96	96	96	96	96	96	96	96	1 149	1 211	1 278
Health			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services			4 046	4 046	4 046	4 046	4 046	4 046	4 046	4 046	4 046	4 046	4 046	4 046	48 553	51 011	53 817
Planning and development			1 926	1 926	1 926	1 926	1 926	1 926	1 926	1 926	1 926	1 926	1 926	1 926	23 116	24 202	25 533
Road transport			1 957	1 957	1 957	1 957	1 957	1 957	1 957	1 957	1 957	1 957	1 957	1 957	23 485	24 753	26 114
Environmental protection			163	163	163	163	163	163	163	163	163	163	163	163	1 952	2 057	2 170
Trading services			4 894	4 894	4 894	4 894	4 894	4 894	4 894	4 894	4 894	4 894	4 894	4 894	58 724	62 418	66 507
Energy sources			3 537	3 537	3 537	3 537	3 537	3 537	3 537	3 537	3 537	3 537	3 537	3 537	42 443	45 380	48 532
Water management			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management			1 357	1 357	1 357	1 357	1 357	1 357	1 357	1 357	1 357	1 357	1 357	1 357	16 282	17 038	17 976
Other			239	239	239	239	239	239	239	239	239	239	239	239	2 870	2 564	2 705
Total Expenditure - Functional			28 324	28 324	28 324	28 324	28 324	28 324	28 324	28 324	28 324	28 324	28 324	28 324	339 890	358 519	376 762
Surplus/(Deficit) before assoc.			3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	45 057	52 126	57 589
Share of surplus/ (deficit) of associate			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1		3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	45 057	52 126	57 589

Table 28 MBRR SA28 – Budgeted monthly capital expenditure (municipal vote)

EC443 Mbizana - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

R thousand	Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
1	Multi-year expenditure to be appropriated Vote 1 - EXECUTIVE & COUNCIL Vote 2 - BUDGET & TREASURY Vote 3 - CORPORATE SERVICES Vote 4 - COMMUNITY & SOCIAL SERVICES Vote 5 - ENGINEERING SERVICES Vote 6 - DEVELOPMENT PLANNING Vote 7 - [NAME OF VOTE 7] Vote 8 - [NAME OF VOTE 8] Vote 9 - [NAME OF VOTE 9] Vote 10 - [NAME OF VOTE 10] Vote 11 - [NAME OF VOTE 11] Vote 12 - [NAME OF VOTE 12] Vote 13 - [NAME OF VOTE 13] Vote 14 - [NAME OF VOTE 14] Vote 15 - [NAME OF VOTE 15]																
2	Capital multi-year expenditure sub-total																
1	Single-year expenditure to be appropriated Vote 1 - EXECUTIVE & COUNCIL Vote 2 - BUDGET & TREASURY Vote 3 - CORPORATE SERVICES Vote 4 - COMMUNITY & SOCIAL SERVICES Vote 5 - ENGINEERING SERVICES Vote 6 - DEVELOPMENT PLANNING Vote 7 - [NAME OF VOTE 7] Vote 8 - [NAME OF VOTE 8] Vote 9 - [NAME OF VOTE 9] Vote 10 - [NAME OF VOTE 10] Vote 11 - [NAME OF VOTE 11] Vote 12 - [NAME OF VOTE 12] Vote 13 - [NAME OF VOTE 13] Vote 14 - [NAME OF VOTE 14] Vote 15 - [NAME OF VOTE 15]																
2	Capital single-year expenditure sub-total																
2	Total Capital Expenditure																

Table 29 MBRR SA29 – Budgeted monthly capital expenditure (functional classification)

EC443 Mbizana - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)																
Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
<u>Capital Expenditure - Functional</u>	1															
<u>Governance and administration</u>		443	443	443	443	443	443	443	443	443	443	443	443	5 318	5 599	5 896
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		443	443	443	443	443	443	443	443	443	443	443	443	5 318	5 599	5 896
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Community and public safety</u>		311	311	311	311	311	311	311	311	311	311	311	311	3 732	3 929	4 138
Community and social services		311	311	311	311	311	311	311	311	311	311	311	311	3 732	3 929	4 138
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Economic and environmental services</u>		4 048	4 048	4 048	4 048	4 048	4 488	4 048	4 048	4 048	4 048	4 048	4 048	49 011	50 127	49 457
Planning and development		-	-	-	-	-	440	-	-	-	-	-	-	440	463	488
Road transport		4 048	4 048	4 048	4 048	4 048	4 048	4 048	4 048	4 048	4 048	4 048	4 048	46 571	46 664	48 969
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Trading services</u>		2 553	2 553	2 553	2 553	2 553	2 553	2 553	2 553	2 553	2 553	2 553	2 553	30 630	21 076	19 200
Energy sources		2 553	2 553	2 553	2 553	2 553	2 553	2 553	2 553	2 553	2 553	2 553	2 553	30 630	21 076	19 200
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	7 354	7 354	7 354	7 354	7 354	7 794	7 354	7 354	7 354	7 354	7 354	7 354	88 691	80 731	78 691
Funded by:																
National Government		5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	70 075	67 644	67 630
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	70 075	67 644	67 630
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		1 551	1 551	1 551	1 551	1 551	1 551	1 551	1 551	1 551	1 551	1 551	1 551	18 615	13 088	11 061
Total Capital Funding		7 391	7 391	7 391	7 391	7 391	7 391	7 391	7 391	7 391	7 391	7 391	7 391	88 691	80 731	78 691

Table 30 MBRR SA30 – Budgeted monthly cash flow

EC443 Mbizana - Supporting Table SA30 Budgeted monthly cash flow												
MONTHLY CASH FLOWS												
R thousand	Budget Year 2018/19											
	July	August	Sept.	October	November	December	January	February	March	April	May	June
Cash Receipts By Source												
Property rates	3 785	4 010	1 010	810	1 116	780	2 010	130	2 010	2 350	3 010	2 550
Service charges - electricity revenue	3 208	1 604	2 568	3 849	3 143	1 860	5 774	2 245	1 860	3 689	1 604	474
Service charges - water revenue												
Service charges - sanitation revenue	136	68	109	164	134	70	245	95	79	157	68	28
Service charges - refuse revenue	0	0	0	0	0	0	0	0	0	0	0	0
Service charges - other	0	0	0	0	0	0	0	0	0	0	0	0
Rental of facilities and equipment	90	45	72	108	69	52	163	63	52	104	45	19
Interest earned - external investments	784	397	635	778	778	481	1 430	556	481	913	397	187
Interest earned - outstanding debtors	401	200	320	481	393	232	721	280	232	481	200	64
Dividends received												
Fines, penalties and forfeits	203	102	182	244	199	119	368	142	118	234	102	43
Licences and permits	229	115	184	275	225	133	413	161	133	264	115	48
Agency services	123	82	99	148	121	72	222	86	72	142	82	26
Transfer receipts - operational	97 158					71 368	280	109	69 368	179		
Other revenue	156	78	125	187	153	90			90		76	33
Cash Receipts by Source	108 264	8 589	5 297	7 218	8 343	75 255	11 523	3 866	74 475	8 491	5 680	3 972
Other Cash Flows by Source												
Transfer receipts - capital	28 030					21 023			21 023			
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departments)												
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)												
Proceeds on disposal of PPE												
Short term loans												
Borrowing long term/renfancing												
Increase (decrease) in consumer deposits												
Increase (decrease) in non-current debtors												
Decrease (increase) other non-current receivables												
Decrease (increase) in non-current investments												
Total Cash Receipts by Source	134 314	8 668	5 297	7 218	8 343	96 278	11 523	3 866	95 498	8 491	5 680	3 972
Cash Payments by Type												
Employee related costs	8 941	8 941	8 941	8 941	8 941	8 941	8 941	8 941	8 941	8 941	8 941	8 941
Remuneration of councillors	1 666	1 666	1 666	1 666	1 666	1 666	1 666	1 666	1 666	1 666	1 666	1 666
Finance charges	136	136	136	136	136	136	136	136	136	136	136	136
Bulk purchases - Electricity	2 800	2 800	2 700	2 800	2 400	2 900	2 300	2 200	2 900	3 200	3 300	3 400
Bulk purchases - Water & Sewer	643	643	643	643	643	643	643	643	643	643	643	643
Other materials	7 025	1 025			5 025	6 025	9 025	8 025	1 025	7 025	4 025	75
Contracted services												
Transfers and grants - other municipalities	180	180	180	180	180	180	180	180	180	180	180	180
Transfers and grants - other	9 419	5 419	9 419	8 519	9 419	4 419	1 419	4 219	3 419	2 419	1 419	6 806
Other expenditure												
Cash Payments by Type	30 812	21 912	23 687	22 787	28 512	25 912	24 442	26 912	18 412	24 712	20 812	22 449
Other Cash Flows/Payments by Type												
Capital assets	9 391	8 391	8 391	5 391	5 391	9 391	7 391	7 391	7 391	7 391	7 391	7 391
Repayment of borrowing												
Other Cash Flows/Payments												
Total Cash Payments by Type	40 203	20 403	30 077	28 177	33 903	34 403	31 833	34 303	28 803	32 103	28 303	29 840
NET INCREASE/DECREASE IN CASH HELD	94 111	(22 723)	(24 780)	(20 959)	(27 560)	61 875	(20 310)	(30 439)	66 685	(23 611)	(22 623)	(26 168)
Cash/cash equivalents at the monetary year end:	41 500	135 037	1 094	1 094	1 094	37 001	107 270	87 305	50 632	119 527	95 916	73 231
Cash/cash equivalents at the monetary year end:	135 637	112 914	88 119	68 119	39 691	101 478	81 286	50 832	119 527	95 916	73 231	47 125

2.7 Contracts having future budgetary implications

In terms of the municipality's Supply Chain Management policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial management comments and budget confirmation from the Budget and Treasury office.

2.8 Capital Expenditure details

Table 31 MBRR SA34a – Capital expenditure on new assets by asset class

EC443 Mbizana - Supporting Table SA34a Capital expenditure on new assets by asset class

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			124 659	85 817	87 747	57 246	79 491	79 491	52 981	44 591	43 961
Roads Infrastructure			50 845	55 706	39 094	16 165	37 518	37 518	22 331	23 515	24 781
Roads			50 845	55 706	39 094	16 165	37 518	37 518	22 331	23 515	24 761
Electrical Infrastructure			34 225	24 907	28 653	40 281	41 779	41 779	30 630	21 076	19 200
MV Networks			34 225	24 907	28 653	40 281	41 779	41 779	30 630	21 076	19 200
Solid Waste Infrastructure			3 010	5 204	—	—	200	200	—	—	—
Landfill Sites			3 010	5 204	—	—	200	200	—	—	—
Information and Communication Infrastructure			36 578	—	—	800	(6)	(6)	—	—	—
Data Centres			36 578	—	—	200	—	—	—	—	—
Core Layers			—	—	—	—	—	—	—	—	—
Distribution Layers			—	—	—	600	(6)	(6)	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Community Assets			4 073	9 286	9 813	18 803	20 895	20 895	23 148	22 892	24 108
Community Facilities			4 073	6 932	9 813	18 803	20 895	20 895	9 540	10 046	10 578
Halls			4 073	6 932	9 813	7 843	9 213	9 213	7 000	7 371	7 762
Centres			—	—	—	10 560	11 383	11 383	2 100	2 211	2 328
Markets			—	—	—	400	300	300	440	463	488
Stalls			—	—	—	—	—	—	—	—	—
Abattoirs			—	—	—	—	—	—	—	—	—
Airports			—	—	—	—	—	—	—	—	—
Taxi Ranks/Bus Terminals			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities			—	2 353	—	—	—	—	13 608	12 847	13 527
Indoor Facilities			—	—	—	—	—	—	—	—	—
Outdoor Facilities			—	2 353	—	—	—	—	13 608	12 847	13 527
Capital Spares			—	—	—	—	—	—	—	—	—
Heritage assets			—	—	452	—	—	—	—	—	—
Monuments			—	—	452	—	—	—	—	—	—
Investment properties			—	—	—	—	—	—	—	—	—
Other assets			16 507	507	965	400	400	400	—	—	—
Operational Buildings			16 507	507	965	400	400	400	—	—	—
Municipal Offices			16 507	82	965	200	200	200	—	—	—
Yards			—	425	—	200	200	200	—	—	—
Biological or Cultivated Assets			—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets			—	—	—	—	—	—	—	—	—
Intangible Assets			2 767	—	—	—	—	—	1 051	1 106	1 165
Servitudes			—	—	—	—	—	—	—	—	—
Licences and Rights			2 767	—	—	—	—	—	1 051	1 106	1 165
Computer Software and Applications			2 767	—	—	—	—	—	1 051	1 106	1 165
Computer Equipment			—	—	—	2 374	2 694	2 694	2 863	3 015	3 175
Computer Equipment			—	—	—	2 374	2 694	2 694	2 863	3 015	3 175
Furniture and Office Equipment			2 596	3 909	1 982	500	500	500	527	554	584
Furniture and Office Equipment			2 596	3 909	1 982	500	500	500	527	554	584
Machinery and Equipment			3 551	—	165	9 478	8 355	8 355	3 492	3 677	545
Machinery and Equipment			3 551	—	165	9 478	8 355	8 355	3 492	3 677	545
Transport Assets			4 499	—	2 492	2 850	3 550	3 550	4 650	4 896	5 156
Transport Assets			4 499	—	2 492	2 850	3 550	3 550	4 650	4 896	5 156
Total Capital Expenditure on new assets		1	158 651	99 518	83 617	91 651	115 886	115 886	88 691	80 731	78 691

Table 32 MBRR SA34b – Capital Expenditure on renewal of Existing Assets by asset class

EC443 Mbizana - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>											
Infrastructure			-	-	-	7 370	7 370	7 370	-	-	-
Roads Infrastructure			-	-	-	7 370	7 370	7 370	-	-	-
Roads						7 370	7 370	7 370			
Road Structures											
Road Furniture											
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals											
Total Capital Expenditure on renewal of existing assets		1	-	-	-	7 370	7 370	7 370	-	-	-

Table 33 MBRR SA34c – Repairs and maintenance by asset class

EC443 Mbizana - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure			–	–	–	1 208	1 802	1 802	3 482	3 670	3 872
Roads Infrastructure			–	–	–	1 050	1 640	1 640	3 393	3 576	3 773
Roads			–	–	–	1 050	1 640	1 640	3 393	3 576	3 773
Electrical Infrastructure			–	–	–	158	162	162	89	94	99
MV Switching Stations			–	–	–	85	89	89	89	94	99
MV Networks			–	–	–	–	–	–	–	–	–
LV Networks			–	–	–	–	–	–	–	–	–
Capital Spares			–	–	–	74	74	74	–	–	–
Water Supply Infrastructure			–	–	–	–	–	–	–	–	–
Community Assets			–	–	–	143	233	90	267	281	296
Community Facilities			–	–	–	–	90	90	116	122	129
Cemeteries/Crematoria			–	–	–	–	90	90	116	122	129
Sport and Recreation Facilities			–	–	–	143	143	–	151	159	167
Indoor Facilities			–	–	–	–	–	–	–	–	–
Outdoor Facilities			–	–	–	143	143	–	151	159	167
Capital Spares			–	–	–	–	–	–	–	–	–
Heritage assets			–	–	–	–	–	–	–	–	–
Investment properties			–	–	–	–	–	–	–	–	–
Revenue Generating			–	–	–	–	–	–	–	–	–
Other assets			–	–	–	2 355	2 355	2 355	3 796	3 799	4 008
Operational Buildings			–	–	–	2 355	2 355	2 355	3 796	3 799	4 008
Municipal Offices			–	–	–	2 230	2 230	2 230	3 589	3 783	3 991
Pay/Enquiry Points			–	–	–	125	125	125	207	17	18
Building Plan Offices			–	–	–	–	–	–	–	–	–
Intangible Assets			–	–	–	–	–	–	337	355	374
Servitudes			–	–	–	–	–	–	–	–	–
Licences and Rights			–	–	–	–	–	–	337	355	374
Computer Software and Applications			–	–	–	–	–	–	337	355	374
Computer Equipment			–	–	–	50	50	–	53	55	59
Computer Equipment			–	–	–	50	50	–	53	55	59
Furniture and Office Equipment			–	–	–	–	–	–	–	–	–
Furniture and Office Equipment			–	–	–	–	–	–	–	–	–
Machinery and Equipment			–	–	–	51	51	51	217	229	242
Machinery and Equipment			–	–	–	51	51	51	217	229	242
Transport Assets			–	–	–	2 000	2 000	2 000	2 106	2 220	2 342
Transport Assets			–	–	–	2 000	2 000	2 000	2 106	2 220	2 342
Total Repairs and Maintenance Expenditure		1	–	–	–	5 807	6 492	6 299	10 257	10 609	11 193
R&M as a % of PPE						0.0%	0.0%	0.0%	0.9%	0.9%	0.9%
R&M as % Operating Expenditure						0.0%	0.0%	0.0%	1.9%	1.9%	1.8%
									3.0%	3.1%	3.1%

2.9 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) is improving.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the interns trained over the years 5 were absorbed within the municipality's budget and treasury office while 2 have found employment in other municipality's and are now at managerial level. Since the introduction of the Internship programme the Municipality has successfully employed and trained 14 interns through this programme.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional. This is despite resignations that have happened in recent times, but the council has been able to appoint other members within reasonable periods of time.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalized after approval of the 2018/19 MTREF in May 2018 directly aligned and informed by the 2018/19 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.10 Municipal manager's quality certificate

I, Luvuyo Mathaka, municipal manager of Mbizana Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name

Luvuyo Mathaka

Municipal manager of Mbizana Local Municipality (EC443)

Signature



Date

29/03/2018